

OMB Bulletin No. 81-74

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2
15 September 81

Per Keith Hall, no CIA response is necessary.

STAT

/C/BMG

10/8/81

Copies sent to AO/DCI and OGC Library.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-24

September 15, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: External Legal Costs

1. Purpose. To obtain information on Executive Branch external legal costs, for use in connection with the preparation of the 1983 Budget.

2. Background. There are at least 126 separate statutes that mandate or authorize payments by the Government of legal fees and expenses in litigations in which the Government does not prevail. The Government has been deemed liable for such fees and expenses even where it has prevailed, but where the adversary party is deemed to have made a "substantial contribution to the interests of Justice." Also, there are situations that arise in some regulatory and other administrative proceedings, in which intervenors with views separate from those of the immediate parties may have received reimbursement for their costs.

Laws may vary in terms of the standards applied for fixing allowable legal fees and expenses. On occasion, claims for as much as \$150 per hour have been approved by the courts.

These external legal costs to the Government are not usually separately identified in the budget process. In addition, these amounts often are paid out of the Treasury permanent appropriation known as "Claims, judgments, and relief acts" (31 U.S.C. 724a). There is a need to identify the magnitude of all such legal fees and expenses paid by the Government in connection with formulation of the 1983 Budget.

3. Definitions. For the purposes of this Bulletin, external legal costs are the obligations incurred for payments to an adversary party in litigation, outside special counsel, etc. In addition, such costs include all amounts paid to outside parties to facilitate intervenor participation in the administrative and judicial processes. Include estimates of costs associated with appeals, resolved or pending, through September 30, 1981. Include obligations incurred against the agency's appropriation or against the Treasury permanent appropriation, "Claims, judgments, and relief acts."

4. Required actions. Each affected agency will submit to OMB an original and one copy of a report prepared in accordance with the instructions contained in the attachment and in the format of the exhibit. Although aggregated amounts are requested, agencies should retain their ability to provide additional details.

5. Timing. The required information will be submitted to OMB by October 15, 1981.

6. Information contact. Questions concerning this Bulletin may be addressed to the Counsel to the Director of OMB (telephone 395-4852).

7. Expiration date. This Bulletin remains in effect until March 15, 1982.



David A. Stockman
Director

Attachments

INSTRUCTIONS FOR THE PREPARATION
OF THE REPORT ON
EXTERNAL LEGAL COSTS

Explanation of line items for the report on FY 1981 external legal costs.

<u>Line item</u>	<u>Description</u>
A. Plaintiff/defendant reimbursement	Obligations incurred to reimburse an adversary party in litigation for legal and related costs when ordered by a court. Report separately, amounts charged to agency appropriations and to the Claims, judgments, and relief acts account. These obligations will be further identified as:
A.1. Legal fees	Include total amounts for attorney fees (may be further subdivided if such distinctions are contained in the judgments). Indicate, as illustrated on the exhibit, the range of hourly fees granted as well as the median hourly fee.
A.2. Experts/witnesses	Includes amounts for persons called to testify and for associated costs for exhibit preparation, laboratory analyses, etc.
A.3. Other	Any other related costs not covered above but included in the judgments. Significant components should be identified separately under, "Remarks."
B. Outside special counsel	Include obligations related to the use of outside counsel to represent the agency (e.g., conflict of interest).
C. Intervenor reimbursement	Indicate total amount of reimbursement costs for intervenors in regulatory and other types of administrative proceedings.

Exhibit
Bulletin No. 81-24

Department of Government
External Legal Costs
FY 1981

	Obligations (\$000's)
A. Plaintiff reimbursement(s)	
1. Legal fees.....	2,527
a. Amount granted to prevailing plaintiffs:	
Agency appropriations.(500)	
Claims, judgments.....(1,500)	
Total.....(2,000)	
b. Amount granted to non- prevailing plaintiffs from Claims, judgment, etc...(527)	
(Range of hourly fees: \$60-120 Median hourly fee: \$75)	
2. Experts/witnesses.....	1,369
3. Other.....	737
Subtotal.....	(\$4,633)
B. Outside special counsel.....	3,124
C. Intervenor reimbursement (total cost)..<	655
Total, external legal costs.....	\$8,412

Remarks: Item A.3. includes \$419,000 for translators in the case of Li Yung vs. U.S. The remaining \$318,000 is for miscellaneous expenses, e.g., photocopying, office supplies, transportation, etc.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 81-23

July 24, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Reducing Executive Branch Reports to the Congress

1. Purpose: This Bulletin provides instructions for the identification of recurring reports to Congress for potential elimination, consolidation, reduction in frequency, or other modification. This activity is designed to reduce existing reporting requirements upon executive branch agencies and to streamline executive branch communication with the Congress. It is a follow-on to the review process which resulted in P.L. 96-470, the Congressional Reports Elimination Act of 1980.

2. Background: The "Congressional Reports Elimination Act of 1980" (P.L. 96-470) discontinued or modified about 100 recurring reporting requirements to Congress. This was accomplished after a review of over 2,000 congressionally mandated reports by all Federal agencies, OMB, and the General Accounting Office (GAO). The effort resulted in a substantial reduction in the reporting burden on executive branch agencies, with a cost savings estimated by GAO of over \$8 million annually.

Since all agencies continue to work under personnel and budget restrictions and since the number of congressionally mandated reports continues to grow by several hundred per year, OMB believes that developing another legislative proposal in this area is desirable. We therefore request agencies to provide recommendations to eliminate, simplify, or consolidate existing legislatively mandated reports. Agencies should consider all existing recurring requirements to fall within the scope of this exercise, with particular attention to those previously recommended for termination or modification (Attachment 1) but not enacted as part of P.L. 96-470. Suggested criteria for identifying reports for elimination or modification include:

a. Duplication and overlap with other reports (i.e., information provided to Congress by the agency in another form, or information provided by other agencies or the public);

b. Reporting burden and other costs (i.e., cost and reporting burden to the reporting agency and other Federal agencies, or cost and reporting burden of collecting information from outside the Federal Government);

c. Original rationale for requiring report (i.e., is this rationale still valid?);

d. Uses (i.e., use to the reporting agency, and use to Congress in opinion of the agency)

After OMB review of agency recommendations and consultation with the GAO, the Administration will propose an omnibus bill similar to P.L. 96-470. Upon its introduction all Federal agencies will be asked to contact relevant congressional committees to discuss their individual reporting recommendations.

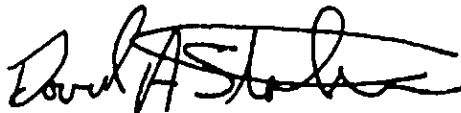
Material Required. Recommendations should be submitted in accordance with the format in Attachment 2 (a sample page from P.L. 96-470). All eliminations should be given Section 100 numbers. All consolidations, reduction in frequency or other modifications should be given Section 200 numbers. In addition, a section by section analysis for each recommendation should also be provided (see Attachment 2, sample page of Section-by-Section Analysis, Report No. 96-1268).

Agencies are requested to provide the principal reason for the recommendation, and to the extent possible, estimates of cost savings associated with each recommendation.

Material should be sent within 40 days of issuance of this Bulletin to the Director, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503.

Attachments. Attached are (1) formats for material required, and (2) a copy of last year's Administration sponsored proposed legislation that identifies those reports recommended for elimination or modification pertaining to your agency.

Notification and Inquiries: Upon receipt of this Bulletin, please notify the Office of Information and Regulatory Affairs on 395-6880 to identify the officials in your agency who will be responsible for this review. Inquiries concerning this Bulletin may also be directed to this Office.



David A. Stockman
Director

Attachments

FORMAT FOR SUBMISSION OF RECOMMENDATION

REPORTS BY THE DEPARTMENT OF DEFENSE

SEC. 104. (a) Section 2390(b) of title 10, United States Code, is repealed.

(b) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(e); 73 Stat. 214) is repealed.

(c) Section 7 of the Act of March 3, 1899, entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes" (33 U.S.C. 549; 30 Stat. 1150), is repealed.

SOURCE: P.L. 96-470

FORMAT FOR SECTION-BY-SECTION ANALYSIS

Reports by the Department of Defense

Section 104 (a) deletes the requirement that the Secretary of Defense submit semiannual reports to the Committees on Armed Services of the Senate and House of Representatives containing copies of suggestions received from each retiring commissioned officer and each retiring civilian employee above grade GS-12, who was employed in or assigned to military procurement within one year of retirement, concerning methods to improve procurement procedures, and the response of the Department of Defense to each suggestion (10 U.S.C. 2390(b)).

(b) Section 2110(b) allows the Secretary to provide a flight instruction program for members of the Senior Reserve Officers Training Corps (ROTC) as part of logistical support. Striking the sentence deletes the requirement for a report on the flight instruction program (10 U.S.C. 2110(b)). The information in the subject report is duplicated in the Annual Report on Reserve Forces.

(c) This section deletes the requirement for a report on or before the fifteenth day of January in each calendar year to the respective Committees on Post Office and Civil Service of the Senate and House of Representatives by the Secretary of Defense on separated and new teachers in the Overseas Dependent Schools of the Department of Defense (20 U.S.C. 903(e); 73 Stat. 214).

(d) This section deletes the requirement for annual reports to the Congress by the Chief of Engineers of the United States Army stating what deterioration has taken place in connection with any works or river and harbor improvements under his charge, together with an estimate of the cost of rebuilding or repairing such works or removing obstructions, and his recommendations for the discontinuance of appropriations for any river and harbor works which he may deem unworthy of further improvement (33 U.S.C. 549; 30 Stat. 1150).

SOURCE: House Report #961268



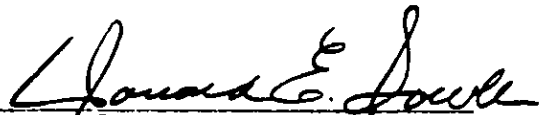
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 29 1981

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND
ESTABLISHMENTS

SUBJECT: Extension of OMB Bulletin No. 81-22

Pending issuance of a final Circular, the sunset date set forth in Part 10 of OMB Bulletin No. 81-22 "Patents - Small Firms and Non-Profit Organizations," is revised to January 31, 1982.


Donald E. Sowle


David A. Stockman

OMB BULLETIN No. 81-22

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 30 1981

BULLETIN NO. 81-22

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Patents - Small Business Firms and Non-Profit Organizations

1. Purpose. This Bulletin provides interim policies, procedures and guidelines with respect to inventions made by small business firms, non-profit organizations and universities under funding agreements (contracts, grants or cooperative agreements) with Federal agencies where a purpose is to perform experimental, developmental, or research work.

2. Authority. This Bulletin is issued pursuant to authority contained in P.L. 96-517, "The Patent and Trademark Amendments of 1980."

3. Background. After many years of public debate on means to enhance the utilization of the results of Government funded research, the last Congress enacted P.L. 96-517, "The Patent and Trademark Amendments of 1980." Sections 202-204 of the Act give universities, non-profit organizations and small businesses a first right of refusal to title in inventions they have made in performance of Government grants and contracts subject to some limited exceptions. In creating this right to ownership, the Act abolishes approximately 26 conflicting statutory and administrative policies.

Some understanding of the relative importance of the Act can be determined from the amount of research and development funding impacted. Based on fiscal year 1980's rate of Government R&D funding of small business, universities, and non-profit organizations, the Act covers the disposition of the invention results from approximately 1.2 billion dollars of grant and contract awards to small business and approximately 5 billion dollars to universities and non-profit organizations. The 5 billion dollars utilized by universities and non-profits covers approximately 65% of the total cost of all the basic research conducted in the U.S. This large investment, coupled for the first time with the incentive of invention ownership in small businesses, non-profits and universities across all Government research and development programs, could initiate a significant increase in the commercialization of inventions resulting from these programs.

Under the Act, The Office of Federal Procurement Policy (OFPP) is responsible for issuance of the regulations implementing sections 202-204 after consultation with the Office of Science and Technology Policy (OSTP). In order to expedite the drafting of these regulations and obtain the advice of agency personnel familiar with patent matters, OFPP relied on an interagency committee for a preliminary draft of the implementing regulations for sections 202-204. This committee was formed through an invitation to all departments and agencies affected by the Act to participate in the drafting of regulations for both the Government patent policy and licensing provisions of the Act.

Regulations implementing the licensing provisions under the Act are available from the Office of Acquisition Policy, General Services Administration, Washington, D. C. 20405. This Bulletin and the funding agreement clauses of Part 5c represent a reflection of many of the views expressed by the Council on Government Regulations (COGR) and other interested groups.

4. Policy. This Bulletin takes effect on July 1, 1981, and will be applicable to all funding agreements with small business firms and non-profit organizations executed on or after that date which are to be performed within the United States. This Bulletin may also be made applicable by mutual agreement to any subject inventions which are "made" on or after July 1, 1981, in the performance of funding agreements which were awarded prior to July 1, 1981, to small business firms or non-profit organizations, unless prohibited by law.

5. Implementation of Policy

a. Definitions. As used in this Bulletin --

(1) The term "funding agreement" means any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement, as herein defined.

(2) The term "contractor" means any small business firm or non-profit organization that is a party to a funding agreement.

(3) The term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under title 35 of the United States Code (USC).

(4) The term "subject invention" means any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

(5) The term "practical application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(6) The term "made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(7) The term "small business firm" means a small business concern, as defined as section 2 of Public Law 85-536 (15 USC 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this Bulletin, the size standard for small business concerns involved in Government procurement, contained in 13 CFR 121.3-8, and in subcontracting, contained in 13 CFR 121.3-12, will be used.

(8) The term "non-profit organization" means universities and other institutions of higher education or an organization of the type describes in section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC 501a) or any non-profit scientific or educational organization qualified under a state non-profit organization statute.

b. Procedures

(1) Use of the Patent Rights (Small Business Firm or Non-profit Organization) (July 1981) Clause

(i) Each funding agreement awarded to a small business firm or non-profit organization which is to be performed in the United States, its possessions, or Puerto Rico and has as a purpose the performance of experimental, developmental or research work, shall contain the Patent Rights (Small Business Firm or Non-profit Organization), (July 1981) clause set forth in part 5(c), except that the funding agreement may provide otherwise.

(A) when the funding agreement is for the operation of a Federally Funded Research and Development Center or a Government-owned production facility.

(B) in exceptional circumstances when it is determined by the agency that restriction or elimination of the right to retain title to any subject invention will better promote the policy and objectives of chapter 38 of title 35 of the USC, or

(C) when it is determined by a Government authority which is authorized by statute or executive order to conduct foreign intelligence or counterintelligence activities that the restriction or elimination of the right to retain title to any subject invention is necessary to protect the security of such activities.

(ii) Any determination under subparagraph (b)(1)(i)(B) of this section will be in writing and accompanied by a written statement of facts justifying the determination. The statement of facts will contain such information as the funding Federal agencies deems relevant and, at minimum, will (1) identify the small business firm or non-profit organization involved, (2) describe the extent to which agency action restricted or eliminated the right to retain title to a subject invention, (3) state the facts and rationale supporting the agency action, (4) provide supporting documentation for those facts and rationale, and (5) indicate the nature of any objections to the agency action and provide any documentation in which those objections appear. A copy of each such determination and written statement of facts will be sent to the Comptroller General of the United States within thirty days after the award of the applicable funding agreement. In cases of determinations applicable to funding agreements with small business firms, copies will also be sent to the Chief Counsel for Advocacy of the Small Business Administration.

(iii) To assist the Comptroller General to accomplish his responsibilities under 35 USC 202, each Federal agency shall accumulate and, at the request of the Comptroller General, provide the Comptroller General or his duly authorized representative the total number of funding agreements entered into it with small businesses or non-profit organizations that contain the Patent Rights clause of section 5c of this Bulletin during each period of July 1 through June 30, beginning July 1, 1982.

(iv) To qualify for the Patent Rights in Inventions (Small Business Firm or Non-Profit Organization) (1981) clause, the small business firm or non-profit organization may be required by an agency to certify that it qualifies as a small business firm or non-profit organization as defined in subparagraphs (a)(7) and (a)(8). If the contracting officer has reason to question the status of the small business firm or non-profit organization under the definitions in subparagraph (a)(7) and (a)(8), he may file a request in accordance with 13 CFR 121.3-5 in regard to the status of the small business firm or he may require the non-profit organization to furnish evidence to establish that it satisfies the requirements of the definition in subparagraph (a)(8).

(v) Right to sublicense foreign governments and international organizations. When the agency head or duly authorized designee determines at the time of contracting with a small business firm or non-profit organization that it would be in the national interest to acquire the right to sublicense foreign governments or international organizations pursuant to any existing or future treaty or agreement, a sentence will be added at the end of paragraph (b) of the Patent Rights clause in part 5c as follows:

"This license will include the right of the Government to sublicense foreign governments and international organizations pursuant to any existing or future treaty or agreement with such foreign governments or international organizations."

However, this language may be modified by agencies to be limited to specific treaties or agreements or otherwise specify a time when the Government's right to sublicense ends.

(vi) Where agencies determine that, due to the need to support their programs to protect Government-owned inventions in foreign countries, additional procedural safeguards are necessary to prevent the defeat of foreign rights due to statutory bars, the following language may be added to paragraph (c)(1)(ii) of the clause of Part 5c:

"but in any event, at least three months (unless shortened by the contracting officer) before (a) a public use or on sale of the invention occurs, (b) a manuscript describing the invention is submitted for publication without assurances of confidentiality, or (c) the invention is otherwise made available to the public."

When the above addition has been made to the clause of Part 5c, paragraph (c)(2) should be deleted.

(2) Minimum rights to contractor

(i) Paragraph (e) of the Patent Rights clause of Part 5c specifies the minimum rights retained by the contractor in subject inventions. When the Federal Government acquires title to a reported subject invention, the contractor will retain a revocable, nonexclusive, royalty-free license throughout the world in the subject invention. The contractor's license extends to its domestic subsidiaries and affiliates, if

any, within the corporate structure of which the contractor is a party and includes the right to grant sublicenses of the same scope to the extent the contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the funding Federal agency except when transferred to the successor of that party of the contractor's business to which the invention pertains.

(ii) The contractor's domestic license may be revoked or modified by the funding Federal agencies to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with (cite application portion of the new licensing regulations). This license will not be revoked in that field or use or the geographical areas in which the contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the contractor, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(iii) Before revocation or modification of the license, the funding Federal agency will furnish the contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the contractor) after the notice to show cause why the license should not be revoked or modified. The contractor has the right to appeal, in accordance with (cite applicable portion of the new licensing regulations), any decision concerning the revocation or modification of its license.

(3) Subcontracts

(i) Paragraph (g) of the Patent Rights clause of Part 5c of this Bulletin requires that the Patent Rights clause, suitably modified to identify the parties, be included in all subcontracts with small business firms and non-profit organizations for experimental, developmental, or research work to be performed in the United States. For subcontracts, regardless of tier, with other than a small business firm or non-profit organization, paragraph (g) provides a blank space to be completed by agencies with their own or applicable Government-wide regulations such as the FPR or DAR identifying the appropriate clause for such subcontracts.

(ii) Contractors will not use their ability to award subcontracts as economic leverage to acquire rights for themselves in the inventions resulting from subcontracts.

(4) Publication or release of invention disclosures

(i) The publication of information disclosing an invention by any party before the filing of a patent application may create a bar to a valid patent. Where the contractor intends to file patent applications, the agency will use reasonable efforts to comply with any written request to restrict its publication of information disclosing the invention

for a reasonable period of time, in order to protect the patent rights in the invention. The contractor must specify the reports and documents to be restricted and the period within which the patent application will be filed.

(ii) As provided in 35 USC 205. Federal agencies are authorized to withhold from disclosure to the public information disclosing any subject invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for patent application to be filed. Furthermore, Federal agencies are not required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

(5) Reporting on Utilization of Subject Inventions. Paragraph h of the Patent Rights clause in Part 5c of this Bulletin provides that agencies have the right to receive periodic reports from the contractor on utilization of inventions. Agencies shall obtain such information from their contractors. However, to ensure uniformity in the nature of the periodic reporting required by the various agencies, agencies shall work with the lead agency to establish standard utilization reporting requirements. To the extent such data or information supplied by the contractor is considered by the contractor, or its licensee or assignee, to be privileged and confidential and is so marked, agencies should not, to the extent permitted by 35 USC 202(c)(5), disclose such information to persons outside the Government.

(6) Additional Administrative Requirements. To the extent not required by other provisions of the funding agreement, agencies may add additional subparagraphs to paragraph (f) of the Patent Rights clause in Part 5c to require the contractor to do one or more of the following:

(i) Provide periodic (but no more frequently than annually) listings of all subject inventions required to be disclosed during the period covered by the report;

(ii) Provide a report prior to the close-out of a funding agreement listing all subject inventions;

(iii) Provide notification of all subcontracts for experimental, developmental or research work; and

(iv) Provide, upon request, the filing date, serial number, and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the contractor has applied for patents.

c. Clause for Funding Agreements (Small Business Firms and Non-Profit Organizations)

(1) Patent Rights (Small Business Firms or Non-profit Organizations). (July 1981). The following clause with such modifications and tailoring as are authorized elsewhere in this Bulletin will be used in all funding agreements with small business firms and non-profit organizations unless the funding agreement falls within one of the exceptions described in part 5b(1)(ii).

PATENT RIGHTS

(Small Business Firms or Non-profit Organizations) (July 1981)

a. Definitions

(1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code (USC).

(2) "Subject Invention" means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this contract.

(3) "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) "Small Business Firm" means a small business concern as defined at Section 2 of Public Law 85-536 (15 USC 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standard for small business concerns involved in Government procurement, contained in 13 CFR 121.3-8, and in subcontracting, contained in 13 CFR 121.3-12, will be used.

(6) "Non-profit Organization" means universities and other institutions of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC 501a) or any non-profit scientific or educational organization qualified under a state non-profit organization statute.

b. Allocation of Principal Rights

The contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause. With respect to any subject invention in which the contractor retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world for which the contractor has elected to retain title.

c. Invention Disclosure, Election of Title and Filing of Patent Applications by Contractor

(1) After a subject invention has been disclosed in writing by the inventor(s) to contractor personnel responsible for the administration of patent matters, the contractor will:

(i) Disclose such invention to the Federal agency within six months;

(ii) Elect whether or not to retain title to any such invention by notifying the Federal agency within twelve months of disclosure to the contractor;

(iii) File its initial patent application on an elected invention within two years after election; and

(iv) File patent applications in additional countries within either ten months of the corresponding initial patent application, or six months from the date a license is granted by the Commissioner of Patents and Trademarks to file foreign patent applications when such filing was prohibited for security reasons.

(2) Notwithstanding the requirements of subparagraph c(1) above:

(i) Disclosure to the agency shall be made immediately after contractor personnel responsible for the administration of patent matters become aware of any manuscript describing the invention accepted for publication, or any publication, on sale or public use of such invention; and

(ii) In any case where publication, or sale or public use has initiated the one year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title and filing of a United States patent application may be shortened by the agency to a date that is no more than 45 days prior to the end of the statutory period.

(3) Requests for extension of the time for disclosure to the agency, election and filing, where reasonable, will normally be granted.

(4) The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, biological or electrical characteristics of the invention. The report shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and accepted at the time of disclosure.

d. Forfeiture of Title

(1) The contractor will convey to the Federal agency, upon written request, title to any subject invention:

(i) If the contractor fails to disclose or elect the subject invention within the times specified in c above, or elects not to retain title.

(ii) In those countries in which the contractor fails to file patent applications within the times specified in c above; provided,

however, that if the contractor has filed a patent application in a country after the times specified in c above but prior to its receipt of the written request of the Federal agency, the contractor shall continue to retain title in that country; or

(iii) In any country in which the contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in a reexamination or opposition proceeding on, a patent on a subject invention.

e. Minimum Rights to Contractor

The contractor will retain a non-exclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the contractor fails to disclose the subject invention within the times specified in c above. This license extends to, and is revocable and transferable, as specified in Part 5b(2) of this Bulletin.

f. Contractor Action to Protect Government's Interest

(1) The contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to:

(i) Establish or confirm the rights the Government has throughout the world in those subject inventions for which the contractor retains title, and

(ii) Convey title to the Federal agency when requested under (d) above and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The contractor agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the contractor each subject invention made under this contract in order that the contractor can comply with the disclosure provisions of c above and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. The disclosure format should require, as a minimum, the information requested by subparagraph c(4) above. The contractor shall instruct such employees through the employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The contractor will notify the Federal agency of any decision not to continue prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than thirty days before the expiration of the response period required by the relevant patent office.

(4) The contractor agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with

Government support under (identify the contract) awarded by the Federal agency. The Government has certain rights in this invention."

g. Subcontracts

(1) The contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed in the United States by a small business firm or a non-profit organization. The subcontractor will retain all rights provided for the contractor in this clause, and the contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The contractor will include in all other subcontracts, regardless of tier, for experimental, developmental or research work the patent rights clause required by (cite section of agency implementing regulations, FPR, or DAR).

h. Reporting on Utilization of Subject Inventions

The contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph j of this clause. To the extent data or information supplied under this section is considered by the contractor, its licensee or assignee to be privileged and confidential and is so marked, the agency agrees that, to the extent permitted by 35 USC 202(c)(5), it will not disclose such information to persons outside the Government.

i. Preference for United States Industry

Notwithstanding any other provision of this clause, the contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

j. March-in Rights

The contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in OMB Bulletin 81-22 (and agency regulations at) to require the contractor, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible

applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor assignee, or exclusive licensee refuses such a request, the Federal agency has the right to grant such a license itself if the Federal agency determines that:

- (1) Such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee, or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the contractor, assignee, or licensees; or
- (4) Such action is necessary because the agreement required by paragraph i of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

k. Special Provisions for Contracts with Non-profit Organizations

If the contractor is a non-profit organization, it agrees that:

- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee will be subject to the same provisions as the contractor);
- (2) The contractor may not grant exclusive licenses under United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:
 - (i) five years from first commercial sale or use of the invention; or
 - (ii) eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, the Federal agency approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use will not be deemed commercial sale or use as to other fields of use, and a first commercial sale or use with respect to a product of the invention will not be deemed to end the exclusive period to different subsequent products covered by the invention.
- (3) The contractor will share any royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education.

END OF CLAUSE

(2) Tailoring the clause. When using this clause, agencies should replace the italicized (underlined) words and phrases with those appropriate to the particular funding agreement. For example, contract should be replaced by "grant" or "cooperative agreement" when those forms of funding agreements are used. In grant, contractor would become "grantee" and contracting officer might become "grants officer." Depending on its use, the Federal agency can be replaced either by the identification of the agency which is party to the funding agreement or by the specification of a particular office or official within that agency. Where the clause requires the contractor to communicate with the agency (as in section (h)), the agency should specify to whom the communication should be made and cite any regulations establishing a preferred form for that communication.

d. Retention of rights by inventor

In contracts with small business firms or non-profit organizations, if the contractor does not elect to retain title to a subject invention, the funding Federal agency may consider and, after consultation with the contractor, may grant requests for retention of rights by the inventor subject to the provisions of 35 U.S.C. 202-204.

e. Government Assignment to Contractor of Rights in Invention of Government Employee

In any case when a Federal employee is a coinventor of any invention made under the funding agreement with small business firm or non-profit organization, the Federal agency employing such coinventor may transfer or reassign whatever right it may acquire in the subject invention from its employee to the contractor subject to the conditions of this Bulletin.

f. Exercise of March-in Rights

The following procedures shall govern the exercise of the march-in rights of the agencies set forth in 35 USC 203 and the clause at Part 5c of this Bulletin:

(1) A march-in proceeding shall be initiated by the issuance of a written notice by the agency to the contractor and its assignee or exclusive licensee, as applicable, stating that the agency is considering the exercise of march-in rights. The notice shall state the reasons for the proposed march-in in terms sufficient to put the contractor in notice of the facts upon which the action is based and shall specify the field or fields of use in which the agency is considering requiring licensing. The notice shall advise the contractor (assignee or exclusive licensee) of its rights, as set forth in this Bulletin and in any supplemental agency regulations. The determination to exercise march-in rights shall be made by the head of the agency or his delegee.

(2) Within 30 days after receipt of the written notice of march-in, the contractor (assignee or exclusive licensee) may submit, in person, in writing, or through a representative, information and argument in opposition of the proposed march-in, including any additional specific information which raises a genuine dispute over the material facts upon which the march-in is based. If the information presented raises a genuine dispute over the material facts, the head of the agency or his delegate shall refer the matter to another official of the agency for fact-finding.

(3) Fact-finding shall be conducted in accordance with the procedures established by the agency. Such procedures shall be as informal as practicable and be consistent with principles of fundamental fairness. The procedures shall afford the contractor the opportunity to appear with counsel, submit documentary evidence, present witnesses and confront such persons as the agency may present. A transcribed record shall be made and shall be available at cost to the contractor upon request. The requirement for a transcribed record may be waived by mutual agreement of the contractor and the agency.

(4) The agency official conducting fact-finding shall prepare written findings of fact and transmit them to the head of the agency or his delegate promptly after the conclusion of the fact-finding proceeding. A copy of the findings of fact shall be sent to the contractor (assignee or exclusive licensee) by registered or certified mail.

(5) In cases in which fact-finding has been conducted, the head of the agency or his delegate shall base his determination on the facts found, together with any other information and argument submitted by the contractor (assignee or exclusive licensee) and any other information in the administrative record. In cases referred for fact-finding, the head of the agency or his delegate may reject only those facts that have been found that are clearly erroneous. Prompt written notice of the determination whether march-in rights will be exercised shall be made by the head of the agency or his delegate and sent to the contractor (assignee or exclusive licensee) by certified or registered mail.

(6) Agencies are authorized to issue additional supplemental procedures, not inconsistent herewith, for the conduct of march-in proceedings.

g. Appeals

In accordance with procedures prescribed by the funding Federal agency, any party to the funding agreement, licensee, or assignee may appeal to the agency or designee any decision or determination concerning the denial, interpretation, modification, or termination of a right to a subject invention under paragraphs (i), (k)(1), or (k)(2) of the clause in Part 5c. In addition, the contractor may appeal any decision of an agency head's delegate that there is no genuine dispute over a material fact provided for in section f(2).

h. Licensing of Background Patent Rights to Third Parties

(1) A funding agreement with a small business firm or non-profit organization will not contain a provision allowing a Federal agency to require

the licensing to third parties of inventions owned by the contractor that are not subject inventions unless such provision has been approved by the agency head and a written justification has been signed by the agency head. Any such provision will clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The agency head may not delegate the authority to approve such provisions or to sign justifications required for such provisions.

(2) A Federal agency will not require the licensing of third parties under any such provision unless the agency head determines that the use of the invention by others is necessary for the practice of a subject invention or for the use of a work object of the funding agreement and that such action is necessary to achieve the practical application of the subject invention or work object. Any such determination will be on the record after an opportunity for an agency hearing. Any action commenced for judicial review of such determination will be brought within sixty days after notification to the contractor of such determination.

i. Administration of Patent Rights Clause

(1) It is important that the Government and the contractor know and exercise their rights in subject inventions in order to ensure their expeditious availability to the public, to enable the Government, the contractor, and the public to avoid unnecessary payment of royalties, and to defend themselves against claims and suits for patent infringement. To attain these ends, contracts Patent Rights clauses should be so administered that:

(i) Inventions are identified, disclosed, and an election is made as required by the contract clause.

(ii) The rights of the Government in such inventions are established;

(iii) When appropriate, patent applications are timely filed and prosecuted by contractors or by the Government;

(iv) The filing of patent applications is documented by formal instruments such as licenses or assignments; and

(v) Expeditious commercial utilization of such inventions is achieved.

(2) With respect to the conveyance of licenses or assignments to which the Government may be entitled under the Patent Rights clause in section 5 of this Bulletin, agencies should follow the guidance provided in 41 CFR 1-9.109-5 or 32 CFR 9-109.5

j. Modification of Existing Agency Regulations

(1) Agency existing patent regulations or other published policies concerning inventions made under funding agreements shall be modified as necessary by December 31, 1981, to make them consistent with this Bulletin and 35 USC 200-206.

(2) After July 1, 1981, this Bulletin and 35 USC 200-206 shall take precedence over any conflicting agency regulations or policies.

6. Proposed Lead Agency Designation. As an option for assurance of coordinated and consistent implementation of 35 USC 200-206 and this Bulletin, consideration is being given to establishing a lead agency to carry out collaboration of the following functions with all affected agencies:

- a. Coordinate, exchange and report information;
- b. Evaluate the effectiveness of the Act and this OMB Bulletin and whether legislative or regulatory improvements need to be made;
- c. Review implementation of the Act and advise when and where Government economies and efficiencies may be realized;
- d. Aid in the development and coordination of a national policy on innovation;
- e. Convene, as necessary, conferences/workshops to assist agencies, universities and small business in implementing 35 USC 200-206; and
- f. Perform such other duties and responsibilities to carry out the goals and objectives of 35 USC 200-206.

Agency comments are encouraged regarding the lead agency concept.

7. Action Requirements. Each Executive Branch agency shall revise its regulations concerning patents in compliance with the policy and procedure set forth in this Bulletin. Such revisions shall not be more restrictive or burdensome than the provisions of this Bulletin.

8. Agency Comments. Comments from each Executive agency affected by the policy and procedure contained in this Bulletin will be accepted until September 1, 1981. Send comments to Mr. Fred H. Dietrich, 726 Jackson Place, N. W., Washington, D. C. 20503.

9. Information Contact: (Contracts) Mr. Fred H. Dietrich, (202) 395-6810. (Grants and Cooperative Agreements) Mr. Gerald A. Fill, (202) 395-3070.

10. Sunset Date. This Bulletin will expire on ^{January 31, 1982} ~~December 31, 1981~~, unless replaced by an OMB Circular on an earlier date.


Donald E. Sowle
Administrator


David A. Stockman
Director

OMB BULLETIN No. 81-21

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2
8 JUL 1981

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No formal response required. See Response
to Bulletin File



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 81-21

June 8, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Designation of the single official required by the Paperwork Reduction Act of 1980, P.L. 96-511

1. Purpose. This bulletin provides guidance to Federal agencies on designation of the single official for information resources management required by the Paperwork Reduction Act of 1980.

2. Coverage. This bulletin applies to each agency (see section 4) required to designate a single official in accordance with Section 3506 of the Paperwork Reduction Act of 1980.

3. Background. The Paperwork Reduction Act of 1980 (P.L. 96-511, 44 U.S.C. Chapter 35) was enacted for the purpose of improving the management of information resources within the executive branch. A major objective of the Act is to integrate agency information resources management activities and establish a single, clear line of accountability for such activities. Accordingly, the Act requires that, by July 1, 1981, each agency designate a single senior official who is to develop uniform policies and procedures to ensure that the agency effectively and efficiently manages its information resources.

4. Definitions.

"Agency" - any executive department, military department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of the Government or any independent regulatory agency, but does not include the General Accounting Office, Federal Election Commission, the governments of the District of Columbia and the territories and possessions of the United States, and their various subdivisions, or Government-owned contractor-operated facilities including laboratories engaged in national defense research and production activities (3502 (1)).

"Information resources management" - the planning, budgeting, organizing, directing, training, promoting, controlling and other managerial activities involved with the collection, use and dissemination of information.

5. Responsibilities of the Single Official.

Section 3506 of the Paperwork Reduction Act requires that each agency head designate a senior official to carry out the responsibilities of the agency under the Act. These responsibilities include:

A. Ensuring that the information policies, principles, standards, guidelines, rules and regulations prescribed by OMB are appropriately implemented within the agency (3506(a), et al.).

B. Developing agency information policies and procedures and overseeing, auditing and otherwise periodically reviewing agency information resources management activities (3506(a), (c)(1), et al.).

C. Reviewing proposed agency reporting and recordkeeping requirements, including those contained in rules and regulations, to ensure that they impose the minimum burden upon the public and have practical utility for the agency (3506(d), 3507).

D. Developing and implementing procedures for assessing the burden to the public and costs to the agency of information requirements contained in proposed legislation affecting agency programs (3506(c)(3), et al.).

E. Conducting and being accountable for acquisitions made pursuant to a delegation of authority under Section 111 of the Federal Property and Administrative Services Act of 1949, as amended (3506(c)(4), et al.).

F. Assisting OMB in the performance of its functions assigned by P.L. 96-511, including the reviews of agency information activities. Each agency, except independent regulatory agencies, shall make its services, personnel and facilities available to OMB upon request and to the extent practicable (3515).

6. Organizational Placement. Section 3506 of the Paperwork Reduction Act requires that the single official report directly to the head of the agency. Designation of a senior official is intended to establish an identifiable line of accountability for information management activities, provide for greater coordination among the agency's information activities and ensure greater visibility of such activities within the agency. The Congress recognized that one structure will not be appropriate for all agencies. However, both the House and Senate Committee reports noted that a proposed structure

for an agency will meet the intent of section 3506 if (1) the agency's information functions which relate to the OMB Director's functions listed in section 3504(a) are under the supervision of the designated official; and (2) the designated official has approval authority for the agency's information functions.

7. Designation of the Single Official. By July 1, 1981 the head of each agency shall designate the single official, or officials, required by P.L. 96-511. As soon as the official is designated each agency head is to provide the Office of Management and Budget with the following information:

- ° the single official's name, title, address and phone number.
- ° an organization chart which identifies agency staff and associated resources assigned, or to be assigned, to the single official for the performance of P.L. 96-511 functions.
- ° a description of the single official's authority and responsibilities.
- ° copies of any implementing documents.
- ° agencies permitted by law to have more than one official shall clearly delineate the specific duties of each official.

The Paperwork Reduction Act requires OMB to evaluate the adequacy and efficiency of each agency's information management activities. The information provided in response to this bulletin will be used by OMB to evaluate the degree to which each agency has complied with the intent of P.L. 96-511 in designating the single official.

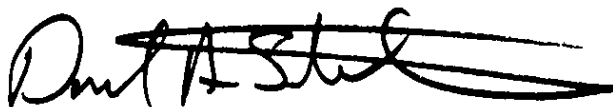
8. Triennial Reviews. Section 3513 of P.L. 96-511 requires that OMB selectively review at least once every three years the information management activities of each agency. In addition, section 3506(c)(1) requires the agency single official to periodically review the agency's information management activities. No later than September 1, 1981, each agency head should submit to OMB three copies of a plan for conducting these reviews. At a minimum the plan should contain:

- A schedule which includes:
 - agency information activities to be reviewed by the single official;
 - the dates the reviews will be initiated and completed;
 - resources to be devoted to each review;
- A description of agency activities and resources involving the collection, management, dissemination or disposition of information.
- Agency objectives for improving the management of information resources to reduce the burden on the public and the cost to the agency.
- The criteria that will be used to assess the effectiveness, efficiency and appropriateness of agency information activities.

9. OMB Review of Agency Plans. In accordance with its responsibilities under section 3504(b)(5), OMB will analyze and provide comments on each agency plan for conducting reviews of its information resources management activities.

10. Inquiries. Inquiries or suggestions regarding this guidance may be referred to the Acting Assistant Administrator for Information Policy, Office of Information and Regulatory Affairs, Office of Management and Budget, (202 395-3785).

11. Effective Date. This bulletin is effective upon issuance and will remain in effect until September 30, 1981.



David A. Stockman
Director

OMB BULLETIN No. 81-20

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2
2 June 81

CIA not required to respond per Chief, BMG

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-20

June 2, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Fiscal Year 1982 Information Collection Budget
Request

1. Purpose. This Bulletin announces the requirement and provides instructions and materials for the submission of FY 1982 Information Collection Budgets (ICBs).

2. Background. Section 3504 of Public Law 96-511, "Paperwork Reduction Act of 1980," stipulates that "The Director [of the Office of Management and Budget (OMB)] shall develop and implement Federal information policies, principles, standards and guidelines and shall provide direction and oversee...the reduction of the paperwork burden..."

Pursuant to P.L. 96-511, OMB has determined that covered agencies shall prepare an annual information collection budget, i.e., an estimate of the total number of hours required of the public to comply with requests for information (reporting or recordkeeping). The budget should itemize each information collection, describe its purpose, and identify those in the public affected by it. P.L. 96-511 requires that each department and agency consider the time and financial resources expended by the public to provide information to a Federal agency. For FY 1982 OMB is only requiring estimates of the amount of time expended. For FY 1983 departments and agencies will be required to submit both time and financial resource estimates.

3. Coverage. The requirement for an FY 1982 Information Collection Budget applies to the following Executive Branch departments and agencies:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy (incl. FERC)

Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor (incl. Pension Benefit Guaranty Corp.)
Department of State
Department of Transportation
Department of the Treasury
Federal Reserve Board
Civil Aeronautics Board
Commodity Futures Trading Commission
Consumer Product Safety Commission
Environmental Protection Agency
Equal Employment Opportunity Commission
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Emergency Management Agency
Federal Home Loan Bank Board
Federal Trade Commission
General Services Administration
Interstate Commerce Commission
National Aeronautics and Space Administration
National Credit Union Administration
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Postal Rate Commission
Railroad Retirement Board
Securities and Exchange Commission
Small Business Administration
Veterans Administration

4. Goals for Reducing Paperwork Burdens. Section 3505 of P.L. 96-511 requires that OMB establish a goal to reduce the existing information collection burden 15 percent by the end of FY 1982 and an additional 10 percent by the end of FY 1983. OMB has formally adopted and fully intends to meet these goals.

The base against which progress toward these goals will be measured is the total reporting burden known to OMB to have been in effect when P.L. 96-511 was passed. This base figure is 1,349.7 million hours, including 1,276.3 million for agencies covered by the 1981 ICB and 73.4 million for other agencies. This base will be utilized through the end of FY 1983. Progress toward the goals will be measured by adding net increases or decreases resulting from program changes to information collections in the base. Adjustments for change in use and corrections, including information collections discovered ex post to have been in existence in the base period, will be excluded from measurement of progress.

Within the overall goal of 15 percent for FY 1982, we have established, in accordance with Section 3505(1)(E) of P.L. 96-511, a burden reduction goal of 10 percent for FY 1982 for information collections associated with the administration of Federal grant programs.

5. Planning Levels for FY 1982 and 1983. In order to achieve these goals, the planning level for the 1982 ICB is set at 15 percent, and for 1983 at 10 percent below the 1980 base figure for each covered agency. All covered agencies are expected to submit proposed ICBs that conform to these planning levels. Plans for obtaining the reduced levels (total and grants) must be described in the transmittal letter (see paragraph 6). Program changes to information collections in the benchmark are to be included in Exhibit 1 (see "additional notations" in Attachment A).

Departments and agencies are reminded that President Reagan's policy decisions that revised the FY 1981 and 1982 fiscal budgets and affect Federal information collections should be reflected in ICB submissions. Individual information collections affected by fiscal policy decisions should be identified in Exhibit 1 as described in Attachment A.

6. Required Materials. After determining that a specific information collection should begin, continue, or terminate during the budget year, appropriate details shall be provided for each information collection on Exhibit 1, prepared in accordance with Attachment A. OMB has provided covered departments and agencies with printouts in the FY 1982 ICB format of their existing information collections known to OMB. Mark up of these printouts to revise or delete items will comprise the ICB for most agencies. New or significantly revised proposals will require preparation of information in the same format. Blank formats are available upon request from the agency's desk officer, or the agency may submit the required information in a similar format.

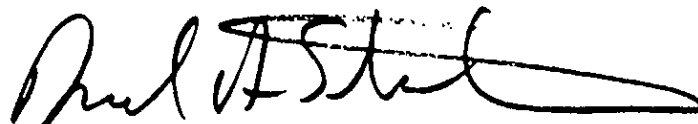
Exhibit 2 aggregates data contained on Exhibit 1. It should be prepared in accordance with instructions in Attachment A.

The head of each covered department or agency, or the senior official appointed pursuant to 44 U.S.C. 3506(b), should transmit the request. The transmittal letter should include the justification for the level of request, plans for attaining the goals and planning levels described in paragraphs 4 and 5, a description of major problems and issues considered during the preparation of the ICB, the rationale for significant program changes, consultations with respondent groups, and a discussion of the status of projects and issues mentioned in the FY 1981 allowance letter.

7. Submission Dates. Please submit an original and two copies of all the required materials to the Director, Office of Management and Budget, Room 3201, New Executive Office Building, no later than August 1, 1981.

8. OMB Actions on Requests. The Office of Management and Budget will hold hearings with agencies on their requests in August. There will be hearings with all covered agencies, unless OMB and an agency mutually agree a hearing is unnecessary. Hearings will be scheduled by IRA staff and will include participation of OMB budget examiners. Agency proposals and staff recommendations will be reviewed by the Director, Office of Management and Budget. Allowances will be given to agencies immediately thereafter. Allowances will generally be made for the agency as a whole, except where more specific guidance is warranted.

9. Inquiries. Inquiries regarding specific department or agency concerns should be directed to appropriate IRA desk officers. General inquiries should be addressed to the Assistant Administrator for Reports Management, Office of Information and Regulatory Affairs
(202) 395-6880.


David A. Stockman
Director

Attachments

EXHIBIT 1

List in Exhibit 1 all information collections from the public. Information collections that previously received waivers from Federal Reports Act review by the Office of Management and Budget must be listed. At a minimum, all items contained in OMB's March 31, 1981, inventory of public use reports should be listed on Exhibit 1. Burden estimates (Standard Form 83#15g) are now required for all recordkeeping requirements.

The listing should be organized by bureau within a major organizational component and within bureau by: (1) proposed to be introduced; (2) those that will be revised; and (3) others in place.

Item #

4, 5, 10, and 11 - Purpose of information collection (SF83#24), type of respondent (SF 83#19), frequency (SF83#25), and degree of compulsory status for respondent (SF83#29) - show as many as apply (if more than one type is listed, circle the type that accounts for the largest share of hours of reporting burden).

6 - Type of respondent activity (SF83#22) - SIC codes are now required. One or more SIC codes must be listed unless type of respondent is only "individuals or households."

7 - Small business or organization (SF83#21): yes/no. Indicate yes if any of the respondents are small businesses or organizations. Use criteria defined by the Small Business Administration.

9 - Estimated total burden (hours) (SF83#15g)

a. FY 1981 - as shown in OMB inventory (as of March 31, 1981).

b. FY 1981 adjusted - reflects corrections and changes in use that are not a result of government action to change a program. Adjustments should only reflect corrections and changes in use through September, 1981. Adjustments for corrections and expected changes in use during FY 1982 should be made during the course of FY 1982.

Reflect new and revised reporting burdens approved or to be initiated between March 31, 1981, and September 30, 1981, and information collections currently in use but not previously approved by OMB.

c. FY 1982 estimate (October 1, 1981 - September 30, 1982) - proposed by agency. Only program changes should be reflected in the difference between FY 1981 adjusted and FY 1982 estimate. Program changes include increases and decreases resulting from government action.

12 - Federal cost (SF83#32) - identify the average annual cost of the information collection if it is a separate activity, and total

project cost if the information collection is a component of a larger activity. Include in the total: the costs of information collection design development, tests, printing forms, mailing list compilation and maintenance, mailing or enumeration, and editing, coding, tabulating, analysis and publication of results. The estimated share of overhead cost including salaries and expenses should be included. Included in cost estimates for applications, recordkeeping, or other administrative plans or forms: the costs associated with designing, mailing, collecting, processing, and analyzing information collected. Cost estimates are now required for all information collections.

13 - Public cost (SF83#16) - cost to the public encompasses all costs of reporting or recordkeeping that are associated with the Federal request or requirement. Include in the cost direct and indirect costs that are incurred because of the information collection. The direct costs should include all one-time and recurring costs, such as development, assembly, equipment, ADP, and other administrative costs. Cost estimates are desirable but optional until July 1, 1982.

Additional Notations

Indicate a "B" in the left margin next to the title if the information collection is affected by decisions in the President's fiscal budget.

Indicate a "G" in the left margin next to the title if the information collection is associated with the administration of Federal grant programs, i.e., if respondents (SF83#15c) are grantees or applicants for grant.

Indicate a "P" in the right margin for any program change (difference between 1981 adjusted and 1982 estimate columns) in an information collection that was included in the 1980 adjusted base in last year's ICB.

EXHIBIT 2

Each department and agency will submit the following Exhibit:

- 2A. Summary of Information Collections by Purpose
- 2B. Summary of Information Collections by Respondent Type
- 2C. Summary of Information Collections by Compulsory Status for Respondent
- 2D. Summary of Grantee Reporting

This Exhibit is derived entirely from information contained on Exhibit 1. Where Exhibit 1 items show multiple types (e.g., respondents are both individuals and businesses), they should be shown in Exhibit 2 in the type that accounts for the largest share of hours of reporting burden (e.g., businesses).

Exhibit 1
INFORMATION COLLECTION BUDGET REQUEST - SUPPORTING EXHIBIT
EFFECTIVE 03/31/81

PAGE 958
04/05/81

Department of Health and Human Services
Human Development Services

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
TITLE OF INFORMATION COLLECTION (SF83#5)		OMB # (SF83#7)	AGENCY FORM # (SF83#12)	PURPOSE OF INFORMATION COLLECTION (SF83#24)	TYPE OF RESPONDENT (SF83#19)	SIC CODE(S) (SF83#22)	SMALL BUS. (SF83#21)	ESTIMATED NUMBER OF RESPONDENTS (SF83#15C)	ESTIMATED TOTAL BURDEN (HRS) (SF83#15G)	FY1981 (AS FY 1981 OF 03/31)	FY 1982 ADJUSTED ESTIMATE (SF83#25)	FEDERAL COST (\$) (SF83#32)	STATUS FOR PUBLIC (SF83#29)

B,G TITLE XX COMPREHENSIVE 0980-0101 PROG. PLAN GOVERNMENT 51 4,850,000 4,850,000 500,000 Other REQ FR BEN P
ANNUAL SERVICES PROGR 832
AM PLAN (CASP) NO 5.100
(14)
ABSTRACT: P L 93-617 REQUIRES THAT THE CASP IS DEVELOPED BY THE STATE TITLE XX AGENCIES TO INFORM THE PUBLIC OF THE SOCIAL SERVICES PROGRAMS OF THE STATE. THE STATE PLAN IS USED JOINTLY BY THE STATE AND THE OFFICE OF PROGRAM COORDINATION AND REVIEW, HDS. TO OBTAIN ASSURANCES AND COMMITMENTS THAT THE STATE WILL ADMINISTER THE PROGRAM ACTIVITIES IN ACCORD WITH THE LAW AND FEDERAL REGULATIONS.

G IMPACT MEASURES FOR TH 0980-0103 PROG. EVAL. GOVERNMENT 455 69 69 69 ANNUALLY VOLUNTARY
E RAP EVALUATION PROG. PLAN BUSINESSES 835
NO 50.416

ABSTRACT: RAP EVALUATION IMPACT MEASURES ASSESS QUALITY AND IMPACT OF RAP SERVICES ON HEAD START CLIENTS AND DOCUMENT INTERACTION BETWEEN RAP AND PUBLIC AGENCIES TO ADVANCE THE INTERESTS OF PRESCHOOL HANDICAPPED CHILDREN. RESULTS WILL BE USED BY ACYF TO MAKE MANAGEMENT DECISIONS ABOUT THE RAP NETWORK.

Exhibit
OMB Bulletin No. 81-20

Exhibit 2

Summary of Information Collections for Department of Government/ Assistant Secretary for Trade and Travel
(in burden hours)

<u>Exhibit 2A: Information Collections by Purpose (SP83#24)</u>	<u>FY 1981 (as of Mar. 31)</u>	<u>FY 1981 adjusted</u>	<u>FY 1982 estimate</u>	<u>Program changes(+)</u>
Application for Benefits	500	700	700	-
Program Evaluation	200	200	200	-
General Purpose Statistics	100	100	100	-
Regulatory or Compliance	300	300	200	-100
Program Planning or Management	800	800	700	-100
Research	100	100	100	-
TOTAL 1/.....	2,000	2,200	2,000	-200
<u>Exhibit 2B: Information Collections by Respondent Type (SP83#19)</u>				
Individuals or households	1,000	1,200	1,200	-
State or local governments	150	150	100	-50
Farms	50	50	100	+50
Businesses or other institutions (except farms)	800	800	600	-200
TOTAL 1/.....	2,000	2,200	2,000	-200
<u>Exhibit 2C: Information Collections by Compulsory Status for Respondent (SP83#29)</u>				
Voluntary	700	700	600	-100
Required to Obtain or Retain Benefit	1,000	1,200	1,200	-
Mandatory	300	300	200	-100
TOTAL 1/.....	2,000	2,200	2,000	-200
<u>Exhibit 2D: Grantee Reporting</u>				
TOTAL	450	400	300	-100

1/ Totals of exhibits 2A-2C should be the same.

OMB BULLETIN No. 81-19

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0/4/81

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Bulletin No. 81-19

June 2, 1981

TO THE HEADS OF DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Information required for the Mid-Session Review of
the 1982 Budget

1. Purpose. This Bulletin provides instructions on the preparation and submission of revised estimates of budget authority, outlays, and receipts data for 1981 through 1986; revised estimates of Federal credit data for 1981 and 1982; and estimates of the spendout during 1983-86 of balances of budget authority available at the end of 1982. This information will be used to prepare the Mid-Session Review of the 1982 Budget and to update the multi-year budget planning base.

The Mid-Session Review, required under section 601 of the Congressional Budget Act of 1974, will present the current status of the President's Budget, including estimates for Government-owned entities outside the budget totals. The detailed information contained in the Review, together with supporting data, will be used by the Congress in connection with its budget scorekeeping responsibilities and for the development of the second concurrent resolution. OMB plans to transmit the Mid-Session Review to the Congress on July 15, 1981.

2. Materials Required.

a. Revised estimates of budget authority, outlays, receipts, and Federal credit data. OMB will provide agencies with three (3) copies of each of the following computer listings:

- Supplementary Source Data. This computer listing contains budget authority and outlays by budget account, for 1981 and 1982.
- Multi-Year Planning Estimates and Long-Range Projections. This computer listing contains budget authority and outlays by budget account, for 1983 through 1986.

- Receipt Account Data File Listing. This computer listing contains receipt account information for 1980 through 1986. The 1981 through 1986 data are to be adjusted.
- Federal Credit Data. This computer listing contains data on direct loan obligations, loan guarantee commitments, and Federal Financing Bank transactions, by budget account, for 1981 and 1982.

The data displayed on these computer listings are based on the estimates developed for the March Revision of the 1982 Budget. Agencies will revise estimates in accordance with the guidelines indicated in section 3 of this Bulletin. Agencies furnishing automated budget data to OMB via computer terminals installed and operational in the agencies will use these terminals to make the changes outlined in subparagraphs (1) through (5) below. (These agencies should notify OMB as soon as possible of new accounts that need to be added to the Master Account and Receipt Account Title Files.) All other agencies will mark up and return the computer listings to be provided by OMB as follows:

(1) Changes will be made by drawing a single line through any amount to be changed and entering the revised amount above it in red. Amounts are to be reported in thousands of dollars.

(2) Changes to the proposed legislation (PL) column for receipt data and to the 11-digit identification code for supplementary source data may be required as follows (see OMB Circular No. A-11, sections 21.4 and 22.3):

- All enacted supplementals should be merged with the parent schedule.
- Rescission proposals (transmittal code 5) that were included in the March Revision of the 1982 Budget or initiated by the Congress should be merged with the parent schedule consistent with Congressional action, i.e., the parent schedule should include the effect of rescissions enacted by the Congress.
- To permit accurate reporting and summarization of legislative proposals, the transmittal status for amounts in the budget that were proposed for later transmittal under

proposed legislation (transmittal code 2 on the supplementary source data files and code "L" (legislation) under the "PL" (proposed legislation) column of the receipt data files) should be reviewed. If the authorizing legislation has been transmitted (but not the appropriation request), the transmittal code 2 should be retained, regardless of whether the authorization has been enacted. If the authorization has been enacted and the appropriation request transmitted, the transmittal code should be changed to "Supplemental under existing legislation" (transmittal code 1) on the supplementary source data files. For the receipt data files, if the authorizing legislation has been enacted, the "L" code should be crossed out and the amounts adjusted, if necessary, to reflect Congressional action.

(3) Enacted pay supplementals and their associated amounts should be merged into the "Appropriation" and "Outlays" entries (lines 40 or 43 and 90 of the section A portion of the Supplementary Source Data listing).

(4) Sections B and C of the Supplementary Source Data listing should be revised when necessary to agree with section A.

(5) For appropriation or fund accounts not currently reflected on the computer listings, including supplementals and any pending rescission proposals transmitted since the March Revision, agencies will submit two (2) copies of a Supplementary Source Data form (Standard Form 307) and an Agency Planning Document (see section 26.3 and Exhibit 26B of OMB Circular No. A-11). For new receipt accounts, data should be entered directly onto the computer listings.

b. Estimated spendout for 1983-1986 from balances of budget authority estimated for controllable programs at the end of 1982. OMB will provide three (3) copies of a computer listing containing estimates of unexpended balances of controllable programs as reflected in the 1982 Budget to agencies that have balances at the end of 1982 in excess of \$100 million. These agencies will revise the amounts for 1982 and estimate the spendout of these balances in future years in accordance with the instructions in Attachment A. This information will be submitted in the format of Exhibit 1.

c. Transmittal letter. Agencies will submit an original and one (1) copy of a transmittal letter that will include a brief narrative explanation of major changes (in excess of \$50 million in any one year) to the estimates of total budget authority, outlays, and receipts by budget or receipt account and will identify new or deleted accounts. Because the report to Congress for the Mid-Session Review will discuss major changes in the estimates for 1981-86, the transmittal letter must cover all such changes for that period.

Agencies will include with the transmittal letter two Analysis of Changes tables prepared in the format of Exhibit 2, one table showing budget authority and the other showing outlays. This table will provide a bridge from the March Revision estimates to the current estimates for 1981-86. Also, this table will separately identify all major changes included in the narrative explanation portion of the transmittal letter. Other smaller changes may be combined in an "Other changes" entry.

3. Basis for the revised estimates. Amounts for 1981-1986 will be revised to reflect changes due to reestimates, publicly announced Presidential decisions, and completed Congressional action. General guidance on the development of the multi-year planning estimates is provided in section 26.2 of OMB Circular No. A-11.

a. Reestimates. Agencies should adjust the estimates to reflect changes in spending trends and revisions to economic, demographic, or other assumptions that affect the estimates.

b. Publicly announced Presidential decisions or initiatives. Estimates should be revised to reflect changes since the March Revision due to:

- budget amendments and supplementals transmitted to the Congress or approved and pending in OMB (the final compilation of estimates will be adjusted by OMB to include only those items that have been approved by the President).
- deferral or rescission proposals transmitted.
- releases by the Executive Branch of amounts previously reserved under the Impoundment Control Act that were not anticipated in the March Budget Revisions.

- legislative proposals transmitted, approved, or publicly supported by the President.
- other initiatives approved by the President.


c. Congressional action or inaction. Estimates should be revised to reflect the effects of:

- enacted substantive legislation (i.e., entitlement and other legislation that has a direct impact on the planning base).
- enacted appropriations.
- final action or inaction on deferrals or proposed rescissions and deferrals initiated by the Administration.
- Congressionally initiated rescissions and deferrals.
- delays in acting on Administration-sponsored legislation (where earlier Congressional action had been assumed in the March Revision estimates). In preparing revised estimates for legislative proposals not yet enacted by the Congress, agencies should assume an effective date of September 15, 1981, where an earlier date had been assumed previously, unless there is a high probability of earlier enactment.

Only those changes that follow directly from Congressional action or inaction should be included. Enactment of discretionary authorizations without subsequent completed appropriations action should not be reflected in the revised planning base.

4. Timing. Agencies will submit two (2) copies of each of the required materials to OMB no later than June 18, 1981.

5. Inquiries. Inquiries and requests for assistance should be directed to the OMB program division responsible for reviewing the agency's budget estimates.


David A. Stockman
Director

Attachments

Attachment A
Bulletin No. 81-19

INSTRUCTIONS FOR REPORTING
ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS

1. Purpose. This attachment provides instructions for preparing the report on estimated spendout of 1982 balances of controllable programs.

2. Coverage. An analysis sheet in the format of Exhibit 1 will be prepared only by agencies that will have unexpended balances (the sum of obligated and unobligated balances) at the end of 1982 in excess of \$100 million. A one line agency total for such balances will be entered on the analysis sheet, with additional detail required for:

a. bureaus with account balances at the end of 1982 of more than \$1 billion;

b. appropriation accounts with 1982 year-end balances of more than \$100 million; and

c. accounts with balances of stand-by and back-up authority; i.e., authority that would not be used except to meet conditions or circumstances that may not occur (e.g., for bank deposit insurance to protect depositors in the event of a bank failure).

When the detail required by 2a-c does not add to the agency total, an "all other" line will be provided for the remainder.

3. Basis for the estimates. The report will relate to "controllable" programs only (i.e., those shown in the "Balances and Outlays from Balances" computer listing provided by OMB). Programs classified as uncontrollable are specifically excluded from this report and will not be included in the computer listing to be provided by OMB.

For the purpose of this report, the term "spendout" means gross disbursements; it is not synonymous with the term "outlays," which means checks issued, interest accrued on the public debt, or other payments net of receipts and reimbursements. It is essential that the spendout report disregard receipts and reimbursements and record gross disbursements against unexpended balances. This distinction is particularly important for revolving funds or accounts

where reimbursements represent a major aspect of the financial program.

In estimating the amount of spendout of 1982 balances in each of the fiscal years 1983-1986, the following assumptions should be used:

a. Obligated balances carried forward at the end of 1982 generally will be spent out in 1983. Important exceptions are accounts having a long time lag between obligation and disbursement; e.g., construction and major procurement programs.

b. Unobligated balances will be obligated before new authority, and they generally will be spent out within a year after the obligation is incurred, except as noted in paragraph 3a above. Estimates of the spendout of these balances can usually be based on assumptions concerning obligation levels in 1983 and each year thereafter. Important exceptions, which will require special attention, include some "earmarked" funds (e.g., oil pollution fund revenues) and accounts with balances of:

(1) funds that may lapse; or

(2) contract authority.

4. Required information. Affected agencies will be furnished information from computer listings based on data in the 1982 Budget on estimates of unexpended balances (lines 24 and 74 on the program and financing schedule) and spendout of balances (lines 3130, 3140, 3230, and 3240 on the Supplementary Source Data, section B) for 1980, 1981, and 1982. (See sections 25 and 32 of OMB Circular No. A-11.) Specific instructions for completing the report in the format of Exhibit 1 are set forth below:

Description (col. 1).--This column should include the agency title, as well as other applicable entries required by paragraph 2, above. Additional entries may be used if deemed desirable, for clarity.

January budget estimate (col. 2).--This column should contain the applicable amount provided in the computer listing.

Current estimate (col. 3).--The latest estimate of 1982 balances is equal to the January budget estimate modified to reflect subsequent changes due to Congressional action (or inaction), reestimates, and Presidential initiatives.

These amounts must be consistent with the effects of any 1981 or 1982 changes reported elsewhere for the Mid-Session Review. Assuming no changes in estimates of expiring authority and of receipts and reimbursements, changes in estimates of budget authority and outlays will have a direct effect on the estimate of the unexpended balance (i.e., an increase in budget authority without a corresponding increase in outlays will result in an equal increase in unexpended balances, while an increase in outlays without a corresponding increase in budget authority will result in an equal decrease in unexpended balances). The amount in this column must equal the sum of the amounts in columns 4-9.

Spendout from 1982 balances in 1983-86 (cols. 4-7).--Enter the amount of spendout of 1982 year-end balances, estimated for each of the fiscal years 1983-1986.

1982 balances as of September 30, 1986 (col. 8).--The amount of 1982 balances remaining unexpended at the end of 1985 will include the balances of stand-by and back-up authority that will not be used in the foreseeable future. Expiring balances will be excluded. Footnotes will be included to explain any balances in excess of \$50 million. All amounts of stand-by and back-up authority must be footnoted as such.

1982 balances expiring in the 1983-1986 period (col. 9).--Enter any amounts of 1982 balances that are expected to expire unused in any of the fiscal years 1983-1986. Footnotes will be included to explain any such balances over \$50 million.

Exhibit 1
Bulletin No. 81-19

DEPARTMENT OF HUMAN SERVICES
ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS
FROM 1982 END-OF-YEAR UNEXPENDED BALANCES OF BUDGET AUTHORITY
(in millions of dollars)

Description (1)	1982 ending balances		Spendout from 1982				1982 balances as of 9/30/86 (8)	1982 balances expiring in the 1983-86 period (9)
	January budget estimate (2)	Current estimate (3)	1983 (4)	1984 (5)	1985 (6)	1986 (7)		
Construction, general.....	700	1,200	821	156	93	40	90 <u>1/</u>	---
Revolving fund..	151	151	151	---	---	---	---	---
Emergency fund..	47	47	---	---	---	---	47 <u>2/</u>	---
All other.....	<u>23</u>	<u>23</u>	<u>23</u>	---	---	---	---	---
Total.....	921	1,421	995	156	93	40	137	---

1/ Balance remaining to be spent on fully funded FY 82 new construction starts.

2/ Stand-by authority.

DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF CHANGES ^{1/}
BUDGET AUTHORITY ^{2/}

(in millions of dollars)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
March Revision estimate.....	4,563	4,985	5,307	5,538	5,705	6,100
Changes resulting from:						
<u>Presidential initiatives</u>						
Waste water treatment plant supplemental (transmitted 4/15/81).....	60	---	---	---	---	---
Highway Safety Program: Revised vehicle emission standards--publicly supported legislative proposal.....	---	-85	-45	-45	-45	-45
<u>Completed Congressional action</u>						
Solid waste planning grants--mandatory authorization (P.L. 97-XXX).....	150	125	100	75	50	25
Inaction on higher education grant consolidation cost-saving legislation (change in effective date).....	70	60	50	40	30	30
<u>Reestimates</u>						
Increased number of social security beneficiaries.....	<u>100</u>	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>
Current estimate.....	4,943	5,195	5,532	5,738	5,880	6,250

^{1/} List major changes of \$50 million or more in an individual account within the change categories.^{2/} A separate exhibit will be prepared for outlays.

.....

OMB BULLETIN No. 81-18

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 81-18

April 30, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Unemployment Compensation for Federal Employees

1. Purpose. This Bulletin provides instructions for the treatment of agency costs incurred for unemployment compensation payments to former Federal employees.

2. Authority and background. The Omnibus Reconciliation Act of 1980 (Public Law 96-499) requires that all unemployment benefits paid to former Federal employees, based on Federal service performed after December 31, 1980, be reimbursed to the Federal employees compensation account of the unemployment trust fund by the various Federal agencies. This provision was enacted with the express purpose of reducing outlays. (See Attachment A.)

Executive Branch departments and establishments have been provided guidance by the Department of Labor on the basic procedures that will be followed and on the duties and responsibilities of Federal employers. (See Attachments B and C.)

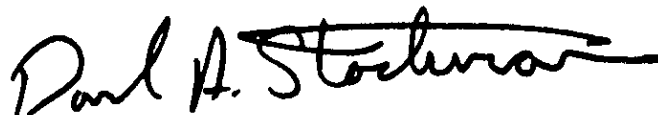
3. Policy.

a. Absorption of costs. Agencies will fully absorb all costs of unemployment compensation for Federal employees resulting from P.L. 96-499, by reducing other operating costs. Requests for supplementals or budget amendments to cover these costs will not be considered. Increases in estimates for the 1983 Budget to cover these costs will not be allowed.

b. Object classification. Obligations incurred by agencies for unemployment compensation payments to the unemployment trust fund (Federal employees compensation account) will be classified under object class 13, Benefits for former personnel. Obligations incurred by the Department of Labor for payments to the States from the Unemployment trust fund (Federal employees compensation account) will be classified under object class 42, Insurance claims and indemnities.

4. Information contact. For further technical assistance on implementation of the provisions of the new law, contact the Department of Labor representative as specified in the attachments.

5. Sunset date. This Bulletin will expire upon the establishment of a system to assure that the required payments are made in a timely manner.

A handwritten signature in black ink, reading "David A. Stockman". The signature is fluid and cursive, with a long horizontal stroke at the end.

David A. Stockman
Director

Attachments

Attachment A
Bulletin No. 81-18

PUBLIC LAW 96-499 [H.R. 7765]; December 5, 1980

OMNIBUS RECONCILIATION ACT OF 1980

For Legislative History of Act, see p. 9580

An Act to provide for reconciliation pursuant to section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1981.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*Omnibus
Reconciliation
Act of 1980TITLE I—SHORT TITLE AND DECLARATION
OF PURPOSE

SHORT TITLE

SECTION 101. This Act may be cited as the "Omnibus Reconciliation Act of 1980".

PURPOSE

Sec. 102. It is the purpose of this Act to implement the recommendations which were made by specified committees of the House of Representatives and the Senate pursuant to directions contained in section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1981 (H. Con. Res. 307, 96th Congress), and pursuant to the reconciliation requirements which were imposed by such concurrent resolution as provided in section 310 of the Congressional Budget Act of 1974. 31 USC 1331

"FEDERAL EMPLOYEES COMPENSATION ACCOUNT"

Sec. 909. There is hereby established in the Unemployment Trust Fund a Federal Employees Compensation Account which shall be used for the purposes specified in section 8509 of title 5, United States Code. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account."

(b) Subchapter I of chapter 85, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 8509. Federal Employees Compensation Account

"(a) The Federal Employees Compensation Account (as established by section 909 of the Social Security Act, and hereafter in this section referred to as the 'Account') in the Unemployment Trust Fund (as established by section 904 of such Act) shall consist of—

"(1) funds appropriated to or transferred thereto, and

"(2) amounts deposited therein pursuant to subsection (c).

"(b) Moneys in the Account shall be available only for the purpose of making payments to States pursuant to agreements entered into under this subchapter and making payments of compensation under this subchapter in States which do not have in effect such an agreement.

"(c)(1) Each employing agency shall deposit into the Account amounts equal to the expenditures incurred under this subchapter on account of Federal service performed by employees and former employees of that agency.

"(2) Deposits required by paragraph (1) shall be made during each calendar quarter and the amount of the deposit to be made by any employing agency during any quarter shall be based on a determination by the Secretary of Labor as to the amounts of payments, made prior to such quarter from the Account based on Federal service performed by employees of such agency after December 31, 1980, with respect to which deposit has not previously been made. The amount to be deposited by any employing agency during any calendar quarter shall be adjusted to take account of any overpayment or underpayment of deposit during any previous quarter for which adjustment has not already been made.

"(d) The Secretary of Labor shall certify to the Secretary of the Treasury the amount of the deposit which each employing agency is required to make to the Account during any calendar quarter, and the Secretary of the Treasury shall notify the Secretary of Labor as to

the date and amount of any deposit made to such Account by any such agency.

"(e) Prior to the beginning of each fiscal year (commencing with the fiscal year which begins October 1, 1981) the Secretary of Labor shall estimate—

"(1) the amount of expenditures which will be made from the Account during such year, and

"(2) the amount of funds which will be available during such year for the making of such expenditures,

and if, on the basis of such estimate, he determines that the amount described in paragraph (2) is in excess of the amount necessary—

"(3) to meet the expenditures described in paragraph (1), and

"(4) to provide a reasonable contingency fund so as to assure that there will, during all times in such year, be sufficient sums available in the Account to meet the expenditures described in paragraph (1).

he shall certify the amount of such excess to the Secretary of the Treasury and the Secretary of the Treasury shall transfer, from the Account to the general fund of the Treasury, an amount equal to such excess.

"(f) The Secretary of Labor is authorized to establish such rules and regulations as may be necessary or appropriate to carry out the provisions of this section.

"(g) Any funds appropriated after the establishment of the Account, for the making of payments for which expenditures are authorized to be made from moneys in the Account, shall be made to the Account; and there are hereby authorized to be appropriated to the Account, from time to time, such sums as may be necessary to assure that there will, at all times, be sufficient sums available in the Account to meet the expenditures authorized to be made from moneys therein."

(c) All funds appropriated which are available for the making of payments to States after December 31, 1980, pursuant to agreements entered into under subchapter I of chapter 85 of title 5, United States Code, or for the making of payments after such date of compensation under such subchapter in States which do not have in effect such an agreement, shall be transferred on January 1, 1981, to the Federal Employees Compensation Account established by section 909 of the Social Security Act. On and after such date, all payments described in the preceding sentence shall be made from such Account as provided by section 8509 of title 5, United States Code.

-2-

the parent agency name. The same code number should be entered also in Section II, Item 4 (name of parent Federal agency), of any ES-931 that the payroll office completes and returns to the requesting State agency. The code number will ensure that the proper Federal employing agency is charged for UCFE benefits paid to its employees.

2. Ensure that all Forms ES-931, UCFE Request For Wage And Separation Information, are completed and returned within 4 work days after receipt from a State agency, as instructed by 20 CFR 609.6. Each Federal agency is required by regulation to maintain a mail control concerning each Form ES-931 with respect to date of receipt and date of completion and return. The importance of the timely completion of Forms ES-931 by payroll offices should be stressed, since a State agency may pay UCFE benefits on the basis of a claimant's statement, if the Form ES-931 is not received within 12 days after such form was sent to the Federal agency's payroll office, as provided by 20 CFR 609.19. The total charge for such UCFE payments based on the claimant's statement will, in such an instance, be charged to the Federal agency that was delinquent in not returning the Form ES-931 within 12 days. Thus, there is a paramount need for the timely completion of Forms ES-931 by a Federal employing agency's payroll office.

3. Ensure that Forms ES-931 being returned to the requesting State agency provide complete, accurate, wage and separation data.

In this regard, ensure that the "Reason for Separation" and "Remarks" sections on Standard Forms 50, Notification of Personnel Action, (or equivalent document) provide all specific facts related to the separation action required by Federal Personnel Manual Supplement 296-31.

A properly prepared SF-50 will ensure that all relevant separation facts will be posted to Forms ES-931 by the Federal agency's payroll office which in turn will ensure that the State agency's eligibility decision to pay UCFE benefits will be a proper one since it will have been based on relevant wage and separation facts.

4. Ensure that all notices received by a Federal agency payroll office from State agencies, i.e., notices of determination and appeal, are referred promptly to appropriate staff within the Federal agency, and that an appeal action is initiated to prevent the payment of benefits to a claimant where the facts available to the Federal agency are believed to warrant such

-3-

action. This is in accordance with 20 CFR 609.11 which provides that if a Federal agency believes that a State agency's determination to award or deny unemployment compensation is incorrect, it should appeal such determination. Federal employing agency representatives should attend appeals hearings and provide testimony, as needed to safeguard Federal funds. (See Page 63, UCFE Instructions for Federal Agencies)

Currently, the handbook, UCFE Instructions For Federal Agencies, is in the process of being revised and, when completed, will be made available to Federal agencies. Technical assistance and questions with regard to these instructions may be directed to Charles W. Reynolds or Millie Rosen Enten on 8-376-6222.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR

WASHINGTON, D.C.

MAR 16 1981

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND
ESTABLISHMENTS

FROM: Secretary of Labor

SUBJECT: Public Law 96-499, Omnibus
Reconciliation Act of 1980

1. Purpose. To inform Heads of departments and agencies of the provisions of new legislation enacted by the 96th Congress and of the duties and responsibilities of the Secretary of Labor and the Heads of departments and agencies.

2. Background. Public Law 96-499, Section 1023 (Attachment A) establishes a Federal Employees Compensation Account (FEC Account) in the Unemployment Trust Fund (UTF) which shall be used for the purpose of providing unemployment benefits based on Federal service performed by civilian employees and former civilian employees of Federal agencies. Currently, the budget of the Department of Labor (DOL) contains the Federal Unemployment Benefits and Allowances (FUBA) appropriation which funds State employment security agencies (SESA's) for the payment of unemployment benefits on the basis of Federal civilian service and Federal wages. Under current law, Federal employees may receive unemployment compensation if they meet the qualifying requirements of the paying State law. The new law requires each Federal agency to reimburse the new FEC Account from its appropriations for the benefit costs attributable to its employees for services performed after December 31, 1980.

3. Procedures. In order to implement the requirements of the law, there must be certain preliminary actions taken to insure an orderly and efficient transition to the new procedures. Concurrently, the Secretary of Labor will establish such rules and regulations as may be necessary or appropriate to carry out the provisions of 5 USC 8509. The following information is being provided to Federal departments and agencies regarding the implementation of P.L. 96-499.

-2-

a. On January 1, 1981, DOL transferred funds from the FUBA appropriation to the FEC Account in the UTF. States will be able to withdraw funds from the FEC Account in amounts necessary to pay unemployment compensation for Federal employees (UCFE) after December 31, 1980. However, Federal departments and agencies will be required to reimburse the FEC Account only for unemployment benefits based on Federal civilian service performed by employees of such departments or agencies after December 31, 1980.

b. A three-digit numerical code has been assigned which identifies each Federal agency. (See Attachment B).

c. States will identify all benefit payments, by Federal agency, that are based on Federal civilian service performed after December 31, 1980. States will submit certified reports to DOL each quarter showing the amount of payments chargeable to each Federal department or agency.

d. The Secretary of Labor will certify to the Secretary of the Treasury and the Federal departments and agencies the amount of the deposit which each Federal department or agency is required to make to the FEC Account for any calendar quarter; and the Secretary of the Treasury will notify the Secretary of Labor as to the date and amount of any deposits made to the FEC Account by each department or agency.

e. The first certified billing document to a Federal department or agency will be made by DOL during the quarter beginning April 1, 1981.

f. The Federal department or agency is required to reimburse the FEC Account in the U.S. Treasury in the total amounts reflected on the certified billing documents. Adjustments to a quarterly billing will be reflected on subsequent billings.

-3-

4. Summary. The basic procedures described above are provided as information to department and agency Heads. The procedures will enable each department and agency Head to plan for the reimbursement to the FEC Account for unemployment benefit payments made to former and/or present Federal civilian employees. More detailed instructions pertaining to reimbursing the FEC Account will be provided to you at a later date.

In order to safeguard Federal funds and insure that only eligible claimants are being paid, instructions concerning the need for Federal departments and agencies to monitor UCFE determinations and benefit payments are being sent directly to each UCFE liaison officer designated in accordance with 20 CFR 609.12. Technical assistance and guidance will be available to assist your staff in this effort.

5. Inquiries. For information pertaining to this memorandum, contact the Employment and Training Administration, Unemployment Insurance Service, telephone 202-376-7060.

OMB BULLETIN No. 81-17

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 81-17

April 27, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Debt Collection

1. Purpose. This Bulletin requires that an aggressive program for strengthening Executive Branch debt collection practices be instituted.
2. Authority and Background. The Budget and Accounting Act of 1921, as amended. The President directed in the 1982 Budget Revisions that the collection of amounts owed the Government be improved. This Bulletin outlines the steps that will be taken to carry out this directive.
3. Coverage. This Bulletin applies to the agencies listed in Attachment A.
4. Policy. It is the policy of this Administration that Executive Branch departments and establishments will ensure the timely and economical collection of all monies owed the Government, including but not limited to, monies due for taxes, loans, sales of goods and services, fines, penalties, forfeitures, interest, overpayments, fees, duties, rents, royalties, claims and damages.
5. Action Requirements.
 - a. Responsible Official. Each agency will designate an official with responsibility and authority for debt collection. Attachment B to this Bulletin, Suggested Responsibilities: Agency Debt Collection Officials, provides suggested attributes for this position. Each agency should submit the name of the designated official to OMB not later than May 15, 1981.
 - b. Agency Plans. Each agency official should prepare a detailed action plan describing each major problem or issue in the agency, the specific steps to be taken, and a timetable for each step. The plan should be directed toward three objectives: (1) implementing aggressive debt collection practices to quickly recover that portion of the current backlog of delinquencies deemed collectible; (2) implementing effective credit management procedures to prevent unnecessary new delinquencies; and, (3) taking firm action to recover newly occurring delinquencies and defaults. After the plan is approved by the head of the

department or agency it should be transmitted not later than June 15, 1981 to the Director of OMB for approval. Budget examiners and members of the OMB Debt Collection Project Staff will be available for consultation during development of the plan. The initial agency report on debt collection efforts and resources is due to OMB by September 30, 1981. Annual reports will be due by each subsequent September 30. Interim reports will be required as necessary. Attachment C to this Bulletin provides reporting instructions to be followed.

6. Use of Collections. Collections will be returned to the General Fund of the Treasury or to the program activity, as authorized by law. In the latter case, as authorized, collections generated may be applied to other approved program activity within the same appropriation in the following order of priority:

a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665(e));

b. to provide funds in lieu of pay supplementals;

c. to reduce the need for supplemental appropriations for interest subsidies and defaults on guaranteed or direct loans;

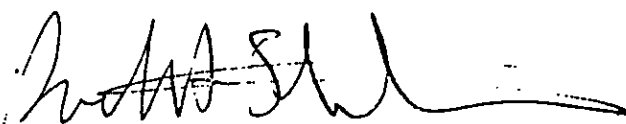
d. to offset the need for the exercise of borrowing authority; and

e. to offset the need for additional budgetary resources for other authorized purposes.

However, where increased collections provide additional resources that cannot be used prudently and result in a withholding of funds from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

7. Information Contact. Inquiries should be directed to the OMB Debt Collection Staff at 395-3967, or to the OMB representative responsible for reviewing the department's or establishment's budget estimates.

8. Sunset Date. This Bulletin will expire on September 30, 1982.


David A. Stockman
Director

Attachments

Departments and Agencies Required to Report

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
National Aeronautics and Space Administration
Veterans Administration
General Services Administration
International Development Cooperation Agency
Small Business Administration
Export-Import Bank
Interstate Commerce Commission
Overseas Private Investment Corporation
Tennessee Valley Authority
United States Railway Association
Railroad Retirement Board

SUGGESTED RESPONSIBILITIES:
AGENCY DEBT COLLECTION OFFICIALS

A designated debt collection official would need authority to decide what agency collection policies and procedures will be, and the authority to implement and enforce these policies and procedures. This authority should extend agency-wide and not be limited to a particular program or programs. The individual should also have the necessary authority to determine the extent to which private sector contractors will supplement agency debt management functions.

Appropriate responsibilities for a designated debt collection official would include:

- o Establishing and implementing an aggressive debt collection program throughout the agency to prevent and recover delinquencies and developing, monitoring, and enforcing agency-wide credit management and debt collection policies and practices;
- o Ensuring that all debt management functions, especially those related to accounting, reporting, servicing, collecting, foreclosing, and liquidating are accomplished expeditiously and effectively, whether they be performed in-house by agency personnel or by private sector contractors on behalf of the agency;
- o Assuring that the improvement actions outlined in the agency's debt collection improvement plan provided to OMB are pursued vigorously and accomplished according to the timetable specified in the plans;
- o Addressing the debt management resource and systems needs of the agency and determining, in accordance with the procedure established in OMB Circular No. A-76, whether these needs can be satisfied by reallocating agency resources or contracting out certain functions to the private sector is the best solution; and,
- o Reducing the agency's outstanding delinquencies and defaults to a level that is acceptable to the agency head and OMB.

Finally, the individual should be at a high enough level in the agency to determine and enforce agency-wide debt management policies and procedures and to effectively interact with other agency program and administrative staffs.

REPORTING REQUIREMENTS

The reports will contain the following two sections:

Section A

1. The agency organizational structure and responsibilities for debt collection activities.

2. Amount of debt outstanding by program on September 30. (If different from the amount reported to Treasury (SF220), explain and reconcile the differences.)

3. Expected change in outstanding debt during each of the next three fiscal years.

4. Amounts of debt expected to be collected during each of the next three fiscal years.

5. Relative collectibility of outstanding debt at the end of the next three fiscal years in terms of:

<u>Percent Collectible</u>	<u>Amount</u>	
	<u>Outstanding</u>	<u>Collectible</u>
75 - 100	\$ _____	\$ _____
50 - 75	_____	_____
25 - 50	_____	_____
0 - 25	_____	_____
Total	_____	_____

6. Expected number of workyears associated with and estimates of total costs of planned debt collection activities during each of the next three fiscal years.

7. New activities that will be undertaken over the next three fiscal years and whether these will be carried out by government or non-government personnel.

Section B

1. Progress report on each of the issues in the Agency Plan (paragraph 5b of this Bulletin).

- a. Statement of issue
- b. Actions taken
- c. Remaining actions and timetable for completion
- d. Changes in timetable and reason

2. Issues added to Agency Plan since previous report.

- a. Description of issues
- b. Action planned
- c. Timetable for completion

Re Supplement to OMB Bulletin No. 81-16, CIA exempt.

No action required.

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Date



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 9, 1981

Bulletin No. 81-16, Supplement No. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: ELIMINATION AND CONSOLIDATION OF GOVERNMENT
PERIODICALS AND RECURRING PAMPHLETS

1. Purpose: This Supplement to Bulletin No. 81-16 provides additional procedures and guidelines for eliminating unnecessary Federal spending on the development, printing, and distribution of periodicals and recurring pamphlets.
2. Authority: The Budget and Accounting Act of 1921, as amended; the Federal Property and Administrative Services Act of 1949, as amended; and 44 U.S.C. 1108.
3. Background: On April 20, 1981, the President directed the heads of Executive branch agencies to impose a moratorium on Federal spending for new periodicals, pamphlets, and audiovisual products within their agencies. On April 21, 1981, the Director issued Bulletin No. 81-16, "Elimination of Wasteful Spending on Government Periodicals, Pamphlets, and Audiovisual Products." The results of the Bulletin No. 81-16 reviews and reports indicate that while significant progress has been made in curbing new productions of costly, wasteful, and unnecessary publications, many existing publications have not received sufficient scrutiny. Some agencies may have erroneously believed that previous OMB clearances to publish periodicals under procedures prescribed by OMB Circular No. A-3 exempted these publications from the review and elimination process directed by the President.
4. Policy. Approvals previously granted for the use of appropriated funds for printing all publications defined in Circular No. A-3 are hereby cancelled effective March 31, 1982. By January 15, 1982, each Executive branch agency shall review its existing periodicals and recurring pamphlets (i.e., those pamphlets printed more than once) to reevaluate their necessity and cost-effectiveness using the OMB approved control systems. Agencies shall submit all requests in accordance with Circular A-3 procedures for each publication to be continued.

5. Requirements. Each agency head shall:

- a. Identify all periodicals and recurring pamphlets and submit a list to OMB in the format of Exhibit A, by November 15, 1981, showing:
 - 1) Name of publication,
 - 2) Frequency of issue (e.g., weekly, bi-weekly, monthly, three times a year, intermittently),
 - 3) Average number of copies per issue by category of recipient (e.g. federal, non-profit, private enterprise),
 - 4) Date of expiration of OMB Circular A-3 approval,
 - 5) Annual gross costs to publish including direct and indirect costs for labor and supplies covering design and layout, composition, printing, storage, and distribution,
 - 6) User fees, sales income, or subscription fee income to the Government, and
 - 7) Annual net cost (after subtracting fees and other income) in total and per copy.
- b. Review all periodicals and recurring pamphlets using the control systems approved by OMB in accordance with the procedures in Bulletin No. 81-16. Submit a list to OMB in the format of Exhibit B no later than January 15, 1982, showing those which are proposed to be continued.
- c. Submit a new request for approval as specified in Circular No. A-3 to the Director no later than January 15, 1982, for each periodical (including consolidations) proposed for continuation after March 31, 1982. Previous approvals having an expiration date between the effective date of this Supplement and March 31, 1982, are hereby extended to March 31 for those publications which are proposed to be continued in accordance with subparagraph 5.b. above. Proposals for new publications are strongly discouraged. At whatever point in this process a decision is made to cancel a publication, steps should be taken to phase out that publication as soon as possible. All publications not formally reapproved by OMB (including consolidations) will be eliminated by March 31, 1982; and

- d. Define savings and anticipated cost reductions resulting from agency and OMB actions taken under subparagraphs 5.b. and 5.c. in the format of Exhibit C and submit to OMB no later than April 15, 1982. These savings are in addition to those proposed in the Exhibit to Bulletin No. 81-16.
6. Reports. This Supplement requires the submission of agency reports to OMB by November 15, 1981, January 15, 1982, and April 15, 1982. These reports shall be submitted in the formats specified in the exhibits to this Supplement (Exhibits A, B, and C). OMB approval of agency control system plans required by paragraph 7 of Bulletin No. 81-16 is a prerequisite to the submission of the latter two reports required by this Supplement. Agencies should be prepared to provide the back-up data for the savings shown in Exhibit C by major bureau, appropriation account, and subprogram area.
7. Use of savings: Dollar savings generated from reductions will be applied to other approved program activities within the same appropriation in the following order of priority:
- a. To offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act, 31 U.S.C. 665(4);
 - b. To reduce supplementals for increased pay costs for 1982; or,
 - c. To reduce overall agency estimates for 1983.
- However, where the reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.
8. Information contact: Technical inquiries regarding the requirements and exhibits to be submitted to OMB should be addressed to the Management Improvement and Evaluation Division (395-5193). Other inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.
9. Sunset date: This Supplement to Bulletin No. 81-16 will expire on September 30, 1982.


David A. Stockman
Director

Attachments:
Exhibits (3)

Agency Liaison:
Name _____
Title _____
Phone _____

(name of agency)
Inventory of Periodicals and Recurring Pamphlets

Publication Title (1)	Frequency of Issue* (2)	Average Number Copies Per Issue (3)	Expiration Date of OMB A-3 Approval (4)	Gross Annual Cost (5)	Annual Fees and Other Income (6)	Net Annual Cost	
						Total: Column 5 less Column 6 (7)	Per Copy: Column (7) ÷ Column (3) (8)

* A-Annually
S-Semi-annually
Q-Quarterly
M-Monthly
O-Other (specify)

Note: Agencies will be provided with coding sheets at a later date
to assist in filling out this exhibit.

Exhibit A
Bulletin No. 81-16,
Supplement No. 1

Agency Liaison:
Name _____
Title _____
Phone _____

(name of agency)
Proposed Continuation of Periodicals and Recurring Pamphlets

Publication Title (1)	Changes Ordered (List Letters From Key) (2)	Estimated Annual Savings (3)

- Key:
Changes Ordered
(enter applicable
key letters in
Column 3)
a. Format or content modified
b. Frequency of publication reduced
c. Production costs reduced (e.g., less color, gloss, photos, art, binding, folding, paper)
d. Fewer copies per issue
e. Reduced printing costs
f. Reduced distribution costs
g. User charges introduced
h. No change

Note: Agencies will be provided with coding sheets at a later date
to assist in filling out this exhibit.

Exhibit B
Bulletin No. 81-16,
Supplement No. 1

Agency Liaison:
Name _____
Title _____
Phone _____

(name of agency)
PERIODICALS AND RECURRING PAMPHLETS
REDUCTIONS IN FISCAL YEARS 1982 and 1983

A. Additional Planned Reductions	(Obligations in thousands of dollars)		
	Amount Reported Pursuant to Bulletin 81-16	Additional Savings Pursuant to this Supplement	Revised Estimates*
FY 1981 actual:			
Periodicals	xxxx	NA	NA
Pamphlets	xxxx	NA	NA
FY 1982:			
Periodicals	xxxx	xxxx	xxxx
Pamphlets	xxxx	xxxx	xxxx
FY 1983:			
Periodicals	xxxx	xxxx	xxxx
Pamphlets	xxxx	xxxx	xxxx

* Must be equal to or less than amounts shown in 1982 and 1983 columns of the President's 1983 Budget.

Exhibit C
Bulletin No. 81-16,
Supplement No. 1

MEMORANDUM FOR: File

Per Para. 6.a. and 6.g., CIA exempt from
Bulletin 81-16.

Date

OMB Bulletin 81-16

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

April 21, 1981

BULLETIN NO. 81-16

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Elimination of Wasteful Spending on Government
Periodicals, Pamphlets, and Audiovisual Products

1. Purpose. This Bulletin provides procedures and guidelines for eliminating unnecessary Federal spending for the development and printing of periodicals and pamphlets, and the production or procurement of audiovisual products.

2. Authority. The Budget and Accounting Act of 1921, as amended; the Federal Property and Administrative Services Act of 1949, as amended; and 44 U.S.C. 1108.

3. Background. On April 20, 1981 the President directed the heads of Executive Branch agencies to impose a moratorium on Federal spending for new periodicals, pamphlets, and audiovisual products within their agencies. The President also instructed the Office of Management and Budget (OMB) to issue guidelines for the moratorium, to assist the agencies in developing specific plans to control spending in these areas and to review and approve the plans developed by the agencies. (See Attachment A to this Bulletin.)

4. Policy. Each Executive Branch agency shall eliminate unnecessary Federal spending for the development and printing of periodicals and pamphlets (including those published as part of a contract), and for the production or procurement of audiovisual products (including those used in radio and television advertising).

Each agency shall limit the number and copies of periodicals, pamphlets, and audiovisual products to those essential to the accomplishment of agency missions while minimizing the Government's costs to produce or acquire those that are essential.

5. General guidelines. In carrying out the President's directive, the head of each agency shall:

a. Apply the moratorium specifically to the development and printing of all new periodicals and new pamphlets, and the production, purchase and lease or rental of all new audiovisual products, as described in Attachment B to this Bulletin.

The moratorium is not intended to apply to valid contracts already entered into by the agencies, or to extensions or

renewals of existing contracts, leases or rentals that continue approved activities and where the quantities and unit prices have not been increased by contract modifications. The moratorium also is not intended to apply to in-house productions already in progress; however, no new productions are to be initiated.

b. Conduct a comprehensive review of all existing periodicals, pamphlets, and audiovisual products and those planned for fiscal years 1981 and 1982 to identify and eliminate those that are duplicative and wasteful.

c. Develop a plan that is consistent with the policies and guidelines in this Bulletin for controlling the production of periodicals, pamphlets and audiovisual products.

d. As soon as possible, but no later than July 15, 1981, report to OMB on the reductions in periodicals, pamphlets, and audiovisual products that result from the comprehensive review and transmit to OMB a plan to install new or improved agency controls.

6. Exemptions from the moratorium. Upon determination by the agency head, the following categories may be exempted from the moratorium:

a. Audiovisual information produced or collected exclusively for the purposes of law enforcement and intelligence surveillance, reconnaissance, or information gathering.

b. Production and broadcasts of the American Forces Radio and Television Service (AFRTS) and the Voice of America (VOA).

c. Periodicals, pamphlets, and audiovisual information resulting from safety or criminal investigations, or other evidentiary legal procedures.

d. Production of X-rays, microfilm, and microfiche.

e. Unedited recording of scientific experiments in which the end product is necessary to document the research results.

f. Audiovisual information used to document surgical procedures or augment patient records.

g. Productions having a security classification of "secret" or higher.

h. Materials concerned with direct readiness-related training of military personnel and military recruiting.

i. Productions for the sole purpose of explaining U.S. policies to foreign audiences.

j. Periodicals, pamphlets, or audiovisual products that are specifically described in and mandated by law.

k. Additional exemptions may be granted upon determination by an agency head that such actions are necessary to assure that essential services are provided and mandatory provisions of law are carried out. When the agency head makes such a determination, he or she should notify the Director of the Office of Management and Budget by letter that such an exemption is to be granted.

7. Implementation of general guidelines.

a. Moratorium. The head of each agency shall issue instructions that assure that the moratorium is effective immediately and is continued until the comprehensive review has been conducted and an agency plan for controlling future costs, approved by OMB, has been installed.

b. Comprehensive review. The head of each agency shall conduct a comprehensive review of all existing periodicals, pamphlets, and audiovisual products and those planned for fiscal years 1981 and 1982. In that review, each agency shall:

- (1) Eliminate those periodicals, pamphlets, and audiovisual products that are not essential to accomplishment of agency missions.
- (2) For those that are essential:
 - (a) reduce the number of copies to be printed or reproduced to the minimum necessary;
 - (b) conduct cost comparisons with existing in-house audiovisual activities in accordance with OMB Circular No. A-76 to insure production by the most cost-effective mode (in-house or contract); and
 - (c) minimize Federal spending by recovering costs, e.g., through user fees, wherever possible.

- (3) Determine the additional savings in fiscal years 1981 and 1982 that result from the comprehensive review. The base from which savings shall be calculated will be the estimates for these items that are reflected in the 1982 Budget Revisions that were transmitted to Congress on March 10, 1981 and agency justifications to the Congress in support of the revised budget. (See section 8 for reporting requirements.)

c. Agency control systems. The head of each agency shall propose new or improved control systems to carry out the policies and guidelines in this Bulletin. Proposed agency control systems must meet the following criteria before the plans to install them will be approved by OMB:

- (1) The need for periodicals, pamphlets, and audiovisual products must be confirmed by higher management before procurement is requested. Factors such as relationship to agency mission, cost, timeliness, potential audience size, and alternate means of communication should be considered.
- (2) The agency control systems should provide for monitoring at policy levels of agency management above those which previously had been assigned monitoring functions. Monitoring offices should not have operational responsibilities for the printing of periodicals and pamphlets or the production or procurement of audiovisual products.
- (3) The agency control systems must be directly linked to those agency operations that are covered by OMB Circular Nos. A-3, A-76, and A-114. Specifically, the agency control systems shall be in compliance with:
 - (a) the policies and procedures governing Government periodicals as prescribed by OMB Circular No. A-3;
 - (b) the policies and procedures governing the mode of operation (in-house and/or contract) for commercial or industrial activities (including audiovisual activities) as prescribed by OMB Bulletin No. 81-15 and OMB Circular No. A-76;
 - (c) the policies and procedures for audiovisual activities as prescribed by OMB Circular No.

A-114, such as mandatory title checks, pre-production Federal Audiovisual Production Reports, post-production Federal Audiovisual Production Reports, and cost and production statistics for all productions that have been included in the National Audiovisual Center's Annual Audiovisual Report.

- (4) The agency procurement systems must be designated as control points to assure that Circular Nos. A-3, A-76, and A-114 and Bulletin No. 81-15 requirements are met.
- (5) Field offices must be required to make frequent cost and production statistical reports to agency headquarters.
- (6) The agency control systems must cover all audio-visual productions, periodicals, and pamphlets, including categories that are exempted from the moratorium.

d. Agency actions. The agency shall:

- (1) Review model control plans now being developed by OMB to assist agencies in developing their own control plans. The model control plans will be available for agency review by May 31, 1981.
- (2) Develop a plan to install the proposed agency control system. The plan shall include a strategy and timetable for installation.
- (3) Transmit three (3) copies of the agency plan to OMB for approval.
- (4) Install the new or improved agency control systems.

When the systems have been installed, the agency head shall notify OMB and may lift the moratorium.

8. Reporting requirements. No later than July 15, 1981, each agency shall submit a report on the estimated savings that will result from the comprehensive review. The report shall be prepared in the format of the exhibit to this Bulletin. A copy of the plan to install the proposed agency control systems shall be attached to the report.

Agencies should be prepared to provide the back-up data for the estimated savings by major bureau, appropriation account, and subprogram area, if required by OMB.

9. Use of savings. Dollar savings generated from reductions will be applied to other approved program activities within the same appropriation in the following order of priority:

a. To offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act, 31 U.S.C. 665(e).

b. To reduce supplementals for increased pay costs for 1982.

However, where the reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

10. Information contact. Technical inquiries regarding the moratorium, exemptions, or control plans should be addressed to Bill McQuaid, Management Improvement and Evaluation Division (395-5193). Other inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

11. Sunset date. This Bulletin will expire on September 30, 1982.



David A. Stockman
Director

Attachments

THE WHITE HOUSE
WASHINGTON

April 20, 1981

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Eliminating Wasteful Spending on Government
Periodicals, Pamphlets, and Audiovisual Products

The Federal Government is spending too much on public relations, publicity, and advertising. Much of this waste can be traced to unnecessary magazines, pamphlets, and films produced by the government and paid for by taxpayers. We now spend over \$100 million a year on the production and duplication of audiovisual products alone. This does not include the related expenses of Federal personnel or the cost to distribute these products.

While we must keep the public accurately informed about Federal programs and activities, I want you to weed out superfluous magazines, pamphlets, films, and public service announcements, especially those that are designed primarily to improve the image of a Federal program or agency.

I am asking each of you to impose an immediate moratorium on the production and procurement of new audiovisual products and the printing and distribution of new periodicals and pamphlets. Additionally, I want you to conduct a comprehensive review of all current and planned activities in this area and develop specific plans for controlling costs in the future. A report on these spending control plans and projected savings should be submitted to the Office of Management and Budget by July 15, 1981.

I am instructing the Director of the Office of Management and Budget to issue procedures and guidelines for the moratorium and to assist you in developing plans to control spending in the future.

Ronald Reagan

Attachment B
Bulletin No. 81-16

LIST OF ITEMS COVERED BY THE MORATORIUM ON PRODUCTION
AND PROCUREMENT OF CERTAIN PERIODICAL PUBLICATIONS,
PAMPHLETS AND AUDIOVISUAL PRODUCTS

The moratorium required by this memorandum applies to the items defined below:

A-3 and Related Definitions

(1) The term "journals, magazines, periodicals, and similar publications" (hereinafter called periodicals) will be construed to refer to publications issued semiannually or more often for the purpose of disseminating useful information with continuing policy as to format, specification, content, and purpose. In accordance with the Government Printing and Binding Regulations, published by the Joint Committee on Printing, the term periodical "shall be construed as not applying to strictly administrative reports, memoranda, and similar materials, or to strictly statistical materials, and information required exclusively for the official use of the issuing office or service in the transaction of its routine business. Such information shall be construed as being required exclusively for the use of the issuing office or service in the transaction of its routine business if not more than 2,000 copies, or not more than 10 percent of the total quantity printed, whichever is lesser, are for free distribution to other than the issuing department, office, or establishment, its officially established auxiliary organizations, and other individuals and organizations required to be kept informed in the transaction of the routine business of the department, office, or establishment." These exceptions are construed to cover laws, regulations, instructions, opinions, decisions, official notices, circulars, and internal information bulletins.

(2) The exception above for "strictly statistical materials" does not apply to a periodical which includes statistics from sources other than the agency issuing the publication, or which includes analytical or interpretive text. The exception does apply to a report which is the medium for issuing statistics for a single series and its components.

(3) The term "pamphlets" will be construed to include all agency publications of 50 copies or more for distribution to the public that are printed and bound, generally fewer than 80 pages in length, and usually enclosed in paper covers including those pamphlets obtained through contract with printers, consultants and others.

(4) The use of the term "printing" will be construed to mean reproduction by those methods which are defined as printing in the Joint Committee Regulations, whether printed at the Government Printing Office or elsewhere.

A-114 Definitions

a. Agency: As used in this Circular and Standard Form 203, agency means any department or independent establishment of the Executive Branch of the Federal Government.

b. Audiovisual Products: Material containing sound or visual imagery for conveying a message; refers to slide sets, film strips, motion pictures, television, including spot announcements (film, video-tape and disc), audio recording including spot announcements (tape and disc), and mixed media (any combination of two or more media) productions.

Audiovisual production should include the following:

1. In-house:

a. A production should be reported as in-house if the products and services to produce the audiovisual program were supplied directly by the staff of the using agency. An audiovisual program is produced in-house if the actual production is performed directly by agency staff.

b. A production should also be reported as in-house if the products and services to produce the audiovisual program were provided for the using agency by another Federal agency.

2. Contracts:

A production should be reported as a contract if a commercial source provides the products or services to produce the audiovisual program for the agency through a contract or purchase order.

All audiovisual programs produced in Government-owned/Contractor-operated facilities should be reported in this category.

3. Mixed production:

A production is reported as a mixed production if, first, part of the products or services used to produce the audiovisual program are provided directly by the staff of the using agency, and second, part of the products and services used to produce the program are provided to the agency by a commercial source.

4. Audiovisual productions should include, but not be limited to:

- a. Public Service Announcements (in any media format).
- b. Productions made for the purposes of research documentation, motivation, training, public and internal information, and the transfer of technology.
- c. Audiovisual programs produced as a report accompanying a research and development project.
- d. Audiovisual programs produced as documentation of public events which are saved for future use by the agency.

5. Off-the-Shelf:

Report any purchase of finished commercial productions for agency use. This includes the purchase of rights and preprint materials, as well as materials with modifications. Audiovisual programs purchased for use in training also should be included.

Examples of the kinds of categories that are covered by this moratorium are listed below. This list is not intended to be all-inclusive.

- a. Theatrical, interpretive, and entertainment audiovisual productions, including animated productions.
- b. Public service announcements, periodicals, and pamphlets.
- c. Productions specifically designed for foreign distribution and consumption, except those that serve to explain U.S. policies to foreign audiences.
- d. Edited stock-footage productions.
- e. Training and internal communications productions.
- f. Re-makes of previous productions.
- g. Productions that have a security classification lower than "secret."
- h. Productions which add a new segment to an on-going series.
- i. Productions which communicate "technology transfer."

Title: _____
Phone: _____

Department of Government
Periodicals, Pamphlets, and Audiovisual Products
Reductions in Fiscal Years 1981 and 1982

A. PLANNED REDUCTIONS	(Obligations in thousands of dollars)			
	Work-years in 1982	Amount in 1982	Reductions	Amount Less Reduction
	March Budget 1/	March Budget		
FY 1980 actual:				
Periodicals	xxx	xxx	NA	NA
Pamphlets	xxx	xxx	NA	NA
Audiovisual products	xxx	xxx 2/	NA	NA
FY 1981:				
Periodicals	xxx	xxx	xx	xxx
Pamphlets	xxx	xxx	xx	xxx
Audiovisual Products	xxx	xxx 2/	xx	xxx
FY 1982:				
Periodicals	xxx	xxx	xx	xxx
Pamphlets	xxx	xxx	xx	xxx
Audiovisual Products	xxx	xxx	xx	xxx

B. DESCRIPTION OF REDUCTIONS

[Provide a narrative description of the planned reductions identified above.]

1/ Provide the estimated number (of direct and indirect work-years for Federal civilian employees) that is associated with developing the periodicals, pamphlets, and audiovisual products.

2/ List audiovisual product obligations by the following breakdown:

Agency/Bureau	In-house	Contract	Mixed	Off-the-shelf
(obligations in thousands of dollars)				

NOTE: Agency plan to improve or establish control systems must be attached.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 5 1981

MEMORANDUM TO EXECUTIVE DEPARTMENT AND AGENCY OFFICIALS
RESPONSIBLE FOR IMPLEMENTING BULLETIN NO. 81-16

SUBJECT: Model for Periodicals, Pamphlets, and
Audiovisual Products Control Systems

Attached is a model control plan that has been designed to assist agencies in developing new or improved control systems to carry out the policies and guidelines in Bulletin No. 81-16, "Elimination of Wasteful Spending on Government Periodicals, Pamphlets, and Audiovisual Products," dated April 21, 1981.

The attached model control plan which is referred to in Bulletin 81-16, paragraph 7.d(1), is intended to help agencies meet the requirements of Section 7.c. of the Bulletin. It also describes how the plan is to be submitted to OMB for approval, per paragraph 7.d(3).

A general orientation briefing will be presented by OMB staff on Monday, June 15, 1981, in Room 2008 in the New Executive Office Building from 10:00 a.m. to 12:00 noon. The briefing will be in two segments. The first segment from 10:00 a.m. to 11:00 a.m. will include a discussion of the model control system as an approach to achieving the control objectives and satisfying the control system criteria specified in Bulletin 81-16. The second segment from 11:00 a.m. to 12:00 noon will include a discussion of the reporting requirements described in paragraph 8 of the Bulletin.

If you have questions or comments concerning the model control system that should be addressed in the June 15 briefing, please bring them to the attention of the Management Improvement and Evaluation Division (395-5193) in Room 10215, NEOB, Washington, D.C. 20503.

Harold I. Steinberg
Associate Director for Management

Attachment

Model for Agency Control Systems
Required by OMB Bulletin No. 81-16,
Elimination of Wasteful Spending on Government
Periodicals, Pamphlets, and Audiovisual Products

I. Introduction

This document provides a suggested approach to designing and assessing control systems to eliminate wasteful spending for Government periodicals, pamphlets, and audiovisual products. It has been proposed to help agencies achieve the objectives set forth in OMB Bulletin 81-16, "Elimination of Wasteful Spending on Government Periodicals, Pamphlets, and Audiovisual Products," dated April 21, 1981.

The document:

- provides the background pertaining to audiovisual and publication control systems;
- defines and describes a model audiovisual and publication control system;
- describes the control system features;
- describes how agencies should submit control system plans for OMB approval; and,
- discusses the role of the agency Inspector General (or equivalent official) in evaluating the agency's systems.

II. Background

On April 20, 1981, the President directed the heads of executive departments and agencies to: a) impose an immediate moratorium on the production and procurement of new audiovisual products and the printing and distribution of new periodicals and pamphlets; b) conduct a comprehensive review of all current and planned activities in these areas; c) develop specific plans for controlling costs in the future; d) report on these control plans and expected dollar savings to the Office of Management and Budget by July 15, 1981; and e) lift the moratorium after OMB has approved the installation of the agency control systems. The

President instructed the Director of OMB to issue procedures and guidelines for the moratorium and to assist agency heads in developing plans to control spending in the future.


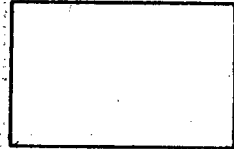

On April 21, 1981, the Director issued OMB Bulletin 81-16, "Elimination of Wasteful Spending on Government Periodicals, Pamphlets, and Audiovisual Products." The Bulletin contains the basic guidance and includes the criteria to which agency control plans must conform.

To assist agencies in developing their own control systems, the Office of Management and Budget developed this model with the assistance of the staffs of the General Services Administration's National Audiovisual Center and the Defense Department's Directorate for Audiovisual Management Policy.

III. The Model Control System

A. What is the Model Control System? The model control system is a specification of a system of documentation, processes, and control objectives that would satisfy the criteria set forth in paragraph 7.c. of OMB Bulletin No. 81-16.

The model control system is presented in flow chart and narrative formats. These are the basic elements in the system:

- Documents, which are depicted by the symbol, , and which represent forms and other media used to transmit information.
- Processes, which are depicted by the symbol, , and which represent activities in the decision-making flow that commit the Government to the next step in the cycle.
- Control points, which are represented by the symbol, , and which represent the points in the cycle at which a document error could exist and/or an inappropriate decision made, and therefore, a point at which one or more controls could be installed to fulfill the specified control objectives.

There are two types of document controls and two types of process controls described in this model.

Document Controls:

- Completeness controls assure that the document contains the desired/necessary information.
- Reliability controls assure that the information is reliable, pertinent, and timely.

Process Controls:

- Comprehensiveness controls assure that the process considers all aspects that are necessary for a decision that results in a proper expenditure of resources and that is in accordance with the Government's interests and objectives.
- Objectivity controls assure that the process is performed without bias. This can best be accomplished by a person or group whose interests are broader than the matter under consideration.

Another way to obtain objectivity is to provide that duties be so segregated as to prevent the same person or group from both benefiting from and authorizing a transaction. In the development and procurement of periodicals, pamphlets, and audiovisual products, there are certain functions that should, to the extent practicable, be performed by different persons or units. They are:

- Requests or will use the program or product.
- Performs the analysis used to make decisions about the program or product.
- Authorizes the procurement or development of the program or product.
- Performs the activities involved in procuring or developing the process or product.
- Accepts the program or product.

- Records cost and other data associated with procurement or development of the program or product.

The eight documents/processes that make up the model control system are presented as Attachment A. Control objectives for each document/process are presented in Attachments A-1 through A-8 and referenced to Attachment A.

B. How can the Model Control System be used? Agencies need not and are not expected to adopt the model control system. Rather, they may incorporate critical elements of the model into existing systems or use the model as a tool in the development of new systems. Furthermore, an agency may operate several control systems. Indeed, separate systems are probably appropriate for publications and for audiovisual products. The main objectives are that each system include the documents, processes, and controls needed to satisfy the criteria in Bulletin 81-16. The system also must conform to the requirements of OMB Circulars A-3, A-76, A-114.

Paragraph 7.c.(2) of Bulletin 81-16, requires monitoring at policy levels of agency management. If several systems are proposed in the plan, e.g., separate systems for different bureaus within an agency, the system must provide for monitoring responsibilities at the agency level.

Agency control systems must be applied to the development of all periodicals, pamphlets, and audiovisual products, including reprints, regardless of the acquisition method, and including those categories which may have been specifically exempted by OMB Bulletin 81-16. The same controls should be applied to publications and products which are acquired as part of larger contracts for services such as advertising, recruiting, research and development, and educational or instructional systems.

In situations in which agencies can demonstrate that the cost of installing the controls discussed in the model would exceed the benefits to be derived from such controls, alternative steps and controls may be proposed. However, such alternative steps and controls must satisfy the criteria in Bulletin 81-16.

IV. Format of Agency Submission

Agency control system plans submitted to OMB for approval should include a graphic (i.e. flow chart) explanation of how the agency's systems for procuring or developing pamphlets, periodicals, and audiovisuals will operate. The flow chart(s) should be accompanied by information that identifies the document and process controls at each control point and contains for each control:

- A description of the control(s).
- Title of specific position that will perform the control(s).
- How the control(s) will be documented.

A form for providing this information is attached to the document as Attachment R.

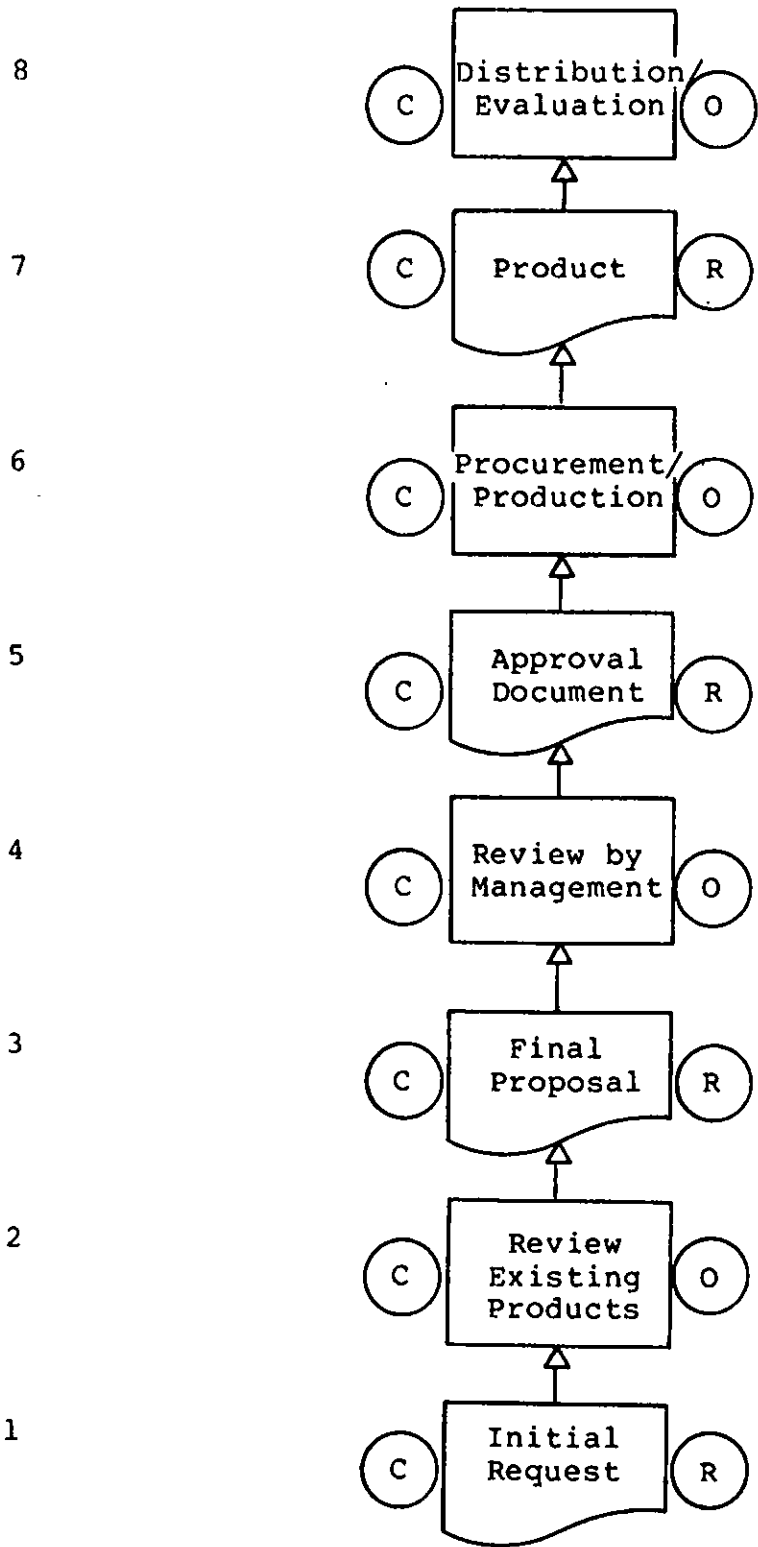
Each agency also should submit an implementation plan for installing new or improved system(s). The plan should list the steps the agency deems necessary to install the new or improved system(s) and the time schedule for each step. It may be prepared in Gantt chart or narrative form.

V. Inspector General

The installed approved agency control system should be evaluated periodically to determine if it is operating as intended, and if it is effective. While the decision on who actually performs such evaluations rests with the agency head, consideration should be given to the independent assessment of the agency's control system by the Inspector General (or equivalent official).

Model Control System
for
Periodicals, Pamphlets, and Audiovisual Products*

Document/
Process
Number



*See Section III.A. (pp. 2 and 3) of the model description
for an explanation of the elements.

Attachment A-1

Document/Process Number 1
Initial Request



Description: This is the initial request for publication of periodicals or pamphlets, or the production or procurement of audiovisual products. It is typically prepared by the program unit that will use the publication or audiovisual in formats prescribed by the agency. The request must consider needs and costs.

Completeness Control Objectives:

- Existence of Need
 - Does the format provide for an adequate description of the intended message?
 - Does the format provide for a description of how the message contributes to a solution of an identifiable program need?
- Intended Audience/Readership
 - Does the format provide for identity, analysis, and a "market survey," if appropriate, of the target population in terms of size, location, educational level, average age, occupation or skills and any other pertinent socio-economic data?
- Immediacy/Frequency
 - Does the format require a specification of how soon and how often the message must be delivered to the audience/readership?
 - Does the format require a specification of how long the information contained in the message will remain current?

Attachment A-1

- Communication Alternatives

- Does the format require a description of whether alternative methods of conveying the message have been considered, and the results of that consideration?

- Cost/Benefit Analysis

- Does the format require the inclusion of cost data and an analysis of the cost effectiveness of alternative methods of conveying the message?

Reliability Control Objectives:

- Is the request prepared by, or at least reviewed with, a program office that is at an organizational level sufficient to assess program relevance and priority?
- Is there a provision for the cost data and communication alternatives to be reviewed and agreed to by a technically competent staff that is independent from the activity that will perform the development or procurement of the pamphlet, periodical or audiovisual product?

Attachment A-2

Document/Process Number 2
Review Existing Products



Description: The Review of Existing Products determines whether existing Federal Government or private sector periodicals, pamphlets, or audiovisual products can satisfy the communications requirement. The process of listing and, if necessary, obtaining copies of existing products, is normally the responsibility of a technical support group or the communications office. Recommending the suitability of existing products is a function of the program office, but is typically coordinated with the communications office.

Comprehensiveness Control Objectives:

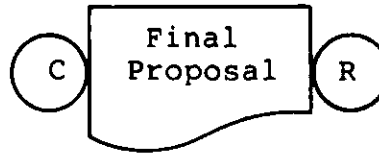
- Does the review require a program office review of all existing products prior to making a recommendation?
- Does the review provide for checking for existing products with all conceivable sources within the agency and similar functions in other agencies?
- Does the review provide for reference to an agency-maintained list or catalog(s) of commercially-available products?
- Does the review require performance of the Mandatory Title Check specified by OMB Circular A-114 and operated by the National Audiovisual Center for audiovisual products?
- Is the review process properly documented?

Objectivity Control Objectives:

- Is the decision to adopt or reject existing government or commercial products made unilaterally by the program office, or only after consultation with the technical support staff?

Attachment A-3

Document/Process Number 3
Final Proposal



Description: The Final Proposal results from the initial request and the review of existing products. Its purpose is to provide management with a package that contains all the information that should be considered prior to making a decision to proceed. It also provides the documentation relating to the accomplishments of the previous steps. There are three basic types:

- Off-the-Shelf Purchase
- Contract Purchase
- In-House Production or Interagency Services Agreement Requisition

Completeness Control Objectives:

- If the proposal is for an off-the-shelf acquisition, are the following elements included in the final proposal package:
 - Justification of need?
 - Distribution plan?
 - Evaluation plan?
 - Cost per viewer statement?
 - Agency request or requisition form?
 - Budgeted expense statement?

Attachment A-3

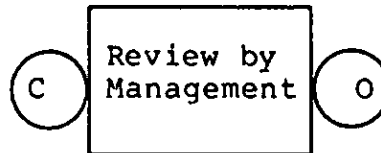
- If the proposal is for a contract purchase, are the following elements included in the final proposal package:
 - Statement of work justification?
 - Mandatory title check (SF 282) with National Audiovisual Center signature, if applicable?
 - Distribution Plan?
 - Evaluation plan?
 - Cost/viewer statement?
 - Budgeted expense statement?
 - Justification to exempt from OMB Circular A-114 reporting requirements, if applicable?
- If the proposal is for an in-house production or interagency services agreement requisition, are the following elements in the final proposal package:
 - Statement of work/justification?
 - Certification that proposed work is included in the A-76 Justification for the in-house facility or is a specific part of an IAG annual plan?
 - Distribution plan?
 - Evaluation plan?
 - Cost/viewer analysis with the cost portion including salaries and benefits, overhead, and other material expenses?
 - Justification for exemption from OMB Circular A-114 reporting requirements, if applicable?

Reliability Control Objectives:

- Does the format require signatures on the proposal by both the program and technical support offices?

Attachment A-4

Document/Process Number 4
Review by Management



Description: The review by management is the consideration by management level personnel, as opposed to technically-oriented personnel, of the information presented in the proposal.

Comprehensive Control Objectives:

- Does the review consider whether the proposal reflects a legitimate need?
- Does the review consider whether the proposal is within the legal, regulatory, and customary scope of the agency's authority and mission, and is consistent with agency policy?
- Does the review consider whether the proposal reflects agency and Administration goals and priorities?
- Does the review consider whether the message is appropriate for the audience?
- Does the review consider the relative priority of the request in relation to other possible activities and resource uses in the program which the request is being made?
- Does the review consider the proposed time-frame?
- Does the review consider the plausibility of the cost estimates?
- Does the review consider whether the proposal should come from another unit in the agency or whether other units should be involved?
- Does the review confirm that the agency has sufficient resources to commit to the proposal?
- Does the review consider whether the proposal conforms to agency policies and OMB Circulars A-3, A-76 and A-114?

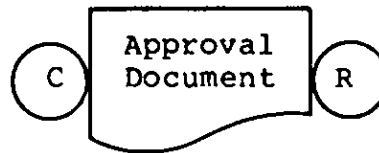
Attachment A-4

- Does the review provide for transmittal of statistical and cost data to the National Audiovisual Center as required by OMB Circular A-114 and FPMR 101-11.13?
- Does the review consider whether the justification for use of the in-house facility or interagency services agreement is sufficient?

Objectivity Control Objective:

- Is the review performed at a policy level that has no direct responsibility for production or procurement of pamphlets, periodicals, or audiovisual products, and that has a broad perspective of the agency's priorities and program objectives?

Document/Process Number 5
Approval Document



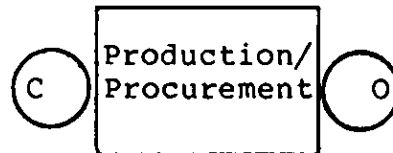
Description: An approval document is the documented validation of the proposed package which enables the production or procurement activity to proceed with the proposed production or acquisition. A decision to halt the project will assure that no additional resources are expended and that the project is cancelled.

Completeness Control Objectives:

- Does a proposal package approval include the elements necessary to initiate production or procurement of the pamphlets, periodicals, or audiovisual products?
- Does an approval indicate whether or not a pre-production Federal Audiovisual Production Report (SF 202) has been forwarded to the National Audiovisual Center?
- Does a decision to halt assure that no additional resources are expended on that project?

Reliability Control Objectives:

- Is the approval signed by a person who is at a policy level that has no direct responsibility for production or procurement of pamphlets, periodicals, or audiovisual products, and that has a broad perspective of the agency's priorities and program objectives?

Document/Process Number 6
Production/Procurement

Description: Production/procurement is the process of producing or contracting for the production of the periodical, pamphlet, or audiovisual product specified in the approved proposal. Included in this step is the submission of periodic progress reports, if appropriate, to management and other oversight offices.

Comprehensiveness Control Objectives:

- Does the production/procurement process require consideration of whether the in-house or interagency services agreement production facility is justified in accordance with OMB Circular A-76?
- Will there be adequate in-house or interagency services agreement production procedures to assure:
 - periodic review of work in progress by management, program, and technical specialists?
 - approval by management of all departures from the approved proposal, e.g. cost over-runs, changes in delivery dates, variations in content?
 - compilation of accurate workload data required by management or technical reports?
 - submission by management of the post-production Audiovisual Production Report (SF 202) to the National Audiovisual Center following audiovisual product completion and acceptance?
- Will all usual agency contracting procedures be followed, and, in particular, procedures that assure:

- adequate coordination between program, technical, and contracting specialists in the preparation of solicitation documents?
- management approval of the solicitation documents?
- sufficient competition for the goods and services being acquired?
- full justification for non-competitive acquisitions?
- adequate lead time for contractor proposal preparation?
- complete and impartial evaluation of all contractor's proposals?
- periodic review of contractor's performance by program and technical specialists?
- compliance with Office of Federal Procurement Policy (OFPP) Policy Letter No. 79-4 or other Government-wide policies and procedures for competitive motion picture and videotape production procurements?
- approval by management of contractor's departures from the approved proposal e.g., cost over-runs, changes in delivery dates, and variations in content?
- compilation of accurate and complete reports required from the contracting office or the contractors?

Objectivity Control Objectives:

- Will management reviews be conducted at a level above the activity procuring or producing the publication or product?
- Will contractor proposals be evaluated by a committee composed of program, technical, and contracting specialists?
- Is there provision for the agency contracting officer to review and approve all variations in normal competitive procurement procedures?

Document/Process Number 7
Product



Description: The product is one or more copies of the finished pamphlet, periodical, or audiovisual product that is delivered to the requestor. It also encompasses a documented validation of acceptance of the requested item by the requestor.

Completeness Control Objectives:

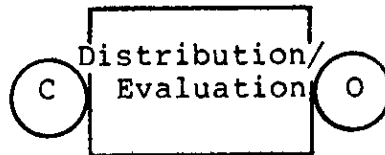
- Does the validation document provide for a comparison of the finished product with the requestor's specifications?
- Does the validation document provide for a count of the delivered product if more than one copy is delivered?

Reliability Control Objective:

- Is the product receipt certified by officials who have no direct responsibility to approve production or procurement of the materials?

Attachment A-8

Document/Process Number 8
Distribution/Evaluation



Description: Distribution is the reproduction (if necessary) and the physical dissemination of the pamphlet, periodical, or audiovisual product to its intended readership/audience. It should include an evaluation of the product and its use, and whether the defined objectives were accomplished.

Completeness Control Objectives:

- Is there evidence that the distribution procedure conforms to the distribution plan incorporated in the final proposal and approved in management review?
- Is the distribution procedure and duplication plan in conformance with OMB Circular A-114 and Federal procurement regulations on printing and audiovisual duplication?
- Does the evaluation procedure provide for the performance of the formal evaluation incorporated in the final proposal and approved in the management review?

Objectivity Control Objectives:

- Will the evaluation system provide direct feedback to the management review office thus satisfying the need for segregation of duties?
- Will the final internal evaluation be performed independently from the receipt of qualitative input from the program and/or technical offices?



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Bulletin 81-15

APR 8 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Agency Implementation of OMB Circular No. A-76

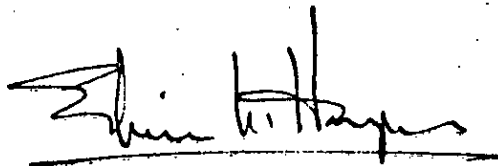
1. Purpose. This Bulletin provides instructions for preparing and submitting information on each agency's implementation of OMB Circular No. A-76 and its impact on budget estimates. In addition, this Bulletin requires special information on agency progress toward meeting the requirements of OMB Circulars No. A-114 and A-76 relating to audiovisual activities.
2. Authority and Background. The Budget and Accounting Act of 1921, as amended. Under OMB Circular No. A-76 (Revised), dated March 29, 1979, and subsequent amendments, agencies unless granted an extension were required to review their in-house Commercial Industrial Type Activities (CITA's) by March 1982 and their existing contracts before they come due for reprocurement. After initial review, activities approved for continuation are required to be reviewed at least once every five years. Agencies are also required to assure that their budget estimates reflect the probable impact of decisions based on implementation of OMB Circular No. A-76 procedures as prescribed by sections 13.2 through 13.5 of OMB Circular No. A-11. OMB Circular No. A-114, dated April 13, 1978, prescribes the policies for management of Federal Audiovisual activities. These activities are also subject to the policies in OMB Circular No. A-76. This Bulletin requires agencies to report on their progress in complying with these requirements.
3. Coverage. These instructions apply to the Executive Branch departments and establishments listed in Attachment A.
4. Policy. In a democratic free enterprise economic system the Government should not compete with its citizens. The private enterprise system, characterized by individual freedom and choice, is the primary source of national economic strength. In recognition of this, it is the general policy of this Administration to reduce the growth in Government spending and rely on competitive private enterprise to supply the products and services the Government needs.

The Circular (1) reaffirms the Government's general policy of reliance on the private sector for goods and services, while recognizing that (2) certain functions are inherently governmental in nature and must be performed by Government personnel, and (3) relative cost must be given appropriate consideration in decisions between in-house performance and reliance on private commercial sources. The balanced approach in the Circular is designed to achieve consistent policy implementation in all agencies, equitable treatment of all parties, and improved economy and efficiency in providing goods and performing services needed by the Government.

OMB Circular No. A-76 and other OMB instructions that limit Federal civilian employment are complementary. OMB instructions preclude the use of contracting with firms and institutions outside the Government solely to

circumvent personnel ceilings. However, agencies that contract out for goods and services under the structured and deliberate process prescribed by OMB Circular No. A-76 are doing so because it is cost effective and reduces the growth in Government spending.

5. Action Requirements. No later than May 31, 1981, agencies listed in Attachment A will submit to the Office of Federal Procurement Policy a report on implementation of OMB Circular No. A-76 in accordance with Attachments B, C, D, and in the format of the exhibits. Agencies will prepare the required exhibits consistent with the definitions listed in Attachment B and the instructions in Attachment C. Attachment D specifies the codes needed to complete the exhibits.
6. OMB Responsibilities. OMB will review the reports required by this Bulletin to assess agency implementation of OMB Circular No. A-76 and to insure that the economies that will be realized through A-76 implementation are reflected in agency budget estimates.
7. Information Contact. Questions should be directed to the Office of Federal Procurement Policy, Office of Management and Budget, telephone 395-3254.
8. Sunset Date. This bulletin will expire on September 30, 1981.



Edwin L. Harper
Deputy Director

Attachment A
Bulletin No. 81-15

Agencies Required to Report

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
ACTION
Consumer Product Safety Commission
Environmental Protection Agency
Federal Communications Commission
Federal Emergency Management Agency
Federal Home Loan Bank Board
Federal Trade Commission
General Services Administration
International Communication Agency
International Development Cooperation Agency
International Trade Commission, United States
Interstate Commerce Commission
National Aeronautics and Space Administration
National Credit Union Administration
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Pension Benefit Guaranty Corporation
Railroad Retirement Board
Small Business Administration
Tennessee Valley Authority
United States Postal Service
Veterans Administration
Entities within the Executive Office of the President

Definitions

1. Annual Cost of Operation -- The estimated total cost of the full-time equivalent of personnel allocated to an in-house performance of an activity during a fiscal year, plus supplies and materials used. See definition of "personnel allocated" in this Attachment.
2. Capital Investment -- The estimate of the capitalized cost of facilities and equipment employed in the in-house operation of the activity. Capitalized cost is determined by taking the original cost and subtracting accumulated depreciation.
3. Contracts -- Contracts for private sector performance of commercial/industrial activities in excess of \$100,000 annually, except those awarded under an authorized set-aside program, for services which the agency determines could reasonably be performed in-house. Includes any activities that have been converted from in-house to contract performance.
4. Government Commercial or Industrial Activity -- One which is operated and managed by a Federal executive agency and which provides a product or service that could be obtained from a private source. A representative, but not comprehensive, listing of such activities is provided in Attachment A to OMB Circular No. A-76 (Revised). An activity can be identified with an organization or a type of work, but must be (1) separable from other functions so as to be suitable for performance either in-house or by contract and (2) a regularly needed activity of an operational nature, not a one-time activity of short duration associated with support of a particular project.
5. Informal Cost Study of a Contract -- An initial review of contract costs to determine whether it is likely that the work can be performed in-house at a cost that is less than contract performance by 10 percent of Government personnel related costs plus 25 percent of the cost of ownership of equipment and facilities. When this is determined to be likely, a formal cost comparison is conducted following the provisions of OMB Circular No. A-76 (Revised) and Supplement No. 1 to the Circular, the "Cost Comparison Handbook."
6. New Start -- A newly established Government commercial or industrial activity, including a transfer of work from contract to in-house performance. Also included is an expansion which would increase capital investment or annual operating cost by 100 percent or more.
7. Personnel Allocated -- The full-time equivalent (FTE) of in-house personnel resources (i.e., the workyears associated with full-time permanent appointments and other appointments subject to the FTE total employment ceilings assigned by OMB) that are allocated to the performance of an activity during a fiscal year. Include the FTE of appointments that are expected to be filled during the fiscal year and to be allocated to an in-house activity.

Special Definitions for Exhibit 51. Audiovisual Activities Subject to OMB Circular No. A-114:

- a. Audiovisual Activities -- Resources used to provide an audiovisual service or produce an audiovisual product. Resources include equipment, facilities, personnel, supplies, and accessories.
- b. Audiovisual Equipment -- Equipment used for the recording, production, reproduction, processing, distribution, or exhibiting of audiovisual products.
- c. Audiovisual Facilities -- A building or space within a building, owned or operated by the Government which houses either an audiovisual activity, audiovisual equipment, or a capability to provide an audiovisual service. Space used to produce an audiovisual product with portable equipment shall be classified as an audiovisual facility.
- d. Audiovisual Services -- Those functions performed in the production, reproduction, utilization, broadcasting, distribution, and storage of audiovisual products. Included are such functions as scripting, photography, film processing, videotape transfer, sound recording and duplication, tape or film editing, audiovisual media depository and records center operations, and support and maintenance of audiovisual equipment and facilities.
- e. Audiovisual Products -- Material containing sound or visual imagery for conveying a message; refers to slide sets, film strips, motion pictures, television (film, videotape, and disc), audio recording (tape and disc), and mixed media (any combination of two or more media) productions.

2. Audiovisual Activities Not Subject to OMB Circular No. A-114 -- Other audiovisual includes, but is not limited to, still photography, still photographic processing, microfilming and other microforms, art and graphic services, and reproduction and duplication of still photography, arts, and graphics.

Instructions on Preparing the Exhibits

Each agency will submit information on implementation of OMB Circular No. A-76 as required by this OMB Bulletin. The information will be prepared in the format of Exhibits 1, 2, 3, 4, and 5.

The information will be prepared on 8½ x 11 paper as described below:

Exhibit 1. Provide status and planning information relating to in-house activities, contracts, and proposed new starts. Definitions for pertinent data elements are contained in Attachment B.

Heading. Enter the name of the agency and the preparer's name, title, and telephone number. Enter the date of submission of the report.

Section I - Parts A, B and C. Parts A and B should include data concerning the agency inventory. The data in Part C should be found in the agency review schedule. (The current inventory and review schedule are required by paragraph 10 of OMB Circular No. A-76.)

Columns 1, 2 and 3. Enter summary data from the inventory and review schedule.

Column 4. Enter the full-time equivalent (FTE) of total personnel allocated to the in-house activities covered.

Section II. Provide data on the size of the inventory and review planning factors. (Paragraph 10 of OMB Circular No. A-76 requires that contracts for commercial or industrial activities be inventoried and reviewed.)

Columns 1 and 2. Enter summary data from the agency inventory. Annual cost refers to the yearly (i.e., 12 month) cost of the contracts.

Column 3. For each fiscal year, indicate the number of contracts scheduled for review. The source of the data is the agency review schedule.

Section III. Provide data on proposed new starts for each fiscal year, as defined in Attachment B. Exclude those that result from review of contracts. (The relationship of proposed new starts to the budget process is described in paragraph 10.d of OMB Circular No. A-76.) Include in this section only those activities where the agency has decided that in-house performance is feasible.

Column 1. Indicate the number of proposed new starts included in the fiscal year 1982 budget estimate and planned for fiscal year 1983.

Column 2. Enter the total number of full-time equivalent of personnel that would be required if the activity were to be performed in-house.

Columns 3 and 4. Enter the total estimated costs associated with the activities if performed in-house.

Exhibit 2. Provide backup detail to support the entries in Exhibit 1.

Section I - Parts A and B. These parts contain two unique entries. The "reason code" identifies the reason that an activity is retained in-house. These codes are defined in Attachment D. Use only one code. The "year of next review" identifies the fiscal year in which the activity will be reviewed for possible private sector performance. Agencies may use a code for other data elements if a listing of the codes is provided with the report.

Section I - Part C. Provide a narrative description on how future reviews are reflected in fiscal year 1982 and 1983 budget estimates, as required by Section 13 of OMB Circular No. A-11.

Section II. Relate the budget impacts pertaining to review of contracts for possible in-house performance. Provide a narrative description on how this affects the fiscal year 1982 and 1983 budget estimates.

Section III. In this section, provide a detailed list of proposed new starts not resulting from contracts that have been included in the fiscal year 1982 budget estimates and are planned for fiscal year 1983. Include only those where a determination has been made that in-house performance is feasible.

Exhibit 3. Document the results of fiscal year 1980 reviews of in-house activities, contracts, and proposed new starts.

Section I - Part A. Include the summary data for those activities that remain in-house after cost study.

Column 1. Enter the total number of activities.

Columns 2 and 3. Enter the total FTE of personnel allocated that was reduced through reorganizations associated with cost studies and the consequent personnel cost savings. To determine this, take the number of FTE of personnel allocated to the activity before the cost study minus the number of FTE of personnel shown in the study. The difference is the number of personnel reduced. Compute savings by considering personnel related costs before the cost study minus personnel related costs shown in the cost study.

Section I - Part B. Include summary data on those activities that converted to contract as a result of cost studies.

Column 1. Enter the total number of activities.

Column 2. Enter the total of annual cost savings for activities converted to contract on the basis of cost. This is obtained by dividing the total of line 35 of each cost study by the total months covered by the study. This figure is then multiplied by twelve to arrive at annual cost savings. The results for all cost studies are then summed to arrive at the total annual cost savings.

Column 3. Show the FTE of personnel allocated that were affected. Count vacancies in this number.

Column 4. Show the numbers of actual persons (not FTE) that fall in each category listed under the sub items of this column.

Section I - Part C. Show the total number of activities continued in-house on a basis other than cost.

Section II. Include summary data on those contracts reviewed for possible in-house performance.

Column 1(a). Enter the number of formal cost studies conducted.

Column 1(b). Enter the number of informal studies conducted as defined in Attachment B.

Column 2(a). Enter the number converted to in-house operation.

Column 2(b). Enter the total annual cost savings, as defined in this Attachment.

Column 3(a). Enter the number retained under contract.

Column 3(b). Enter the total annual cost savings, as defined in this Attachment.

Section III - Part A. Include summary data from cost studies on proposed new starts not resulting from review of contracts.

Column 1(a). Enter the total number of activities initiated in-house on the basis of a cost comparison.

Column 1(b). Enter the total full-time equivalent of personnel allocated to operate the in-house activities.

Column 1(c). Enter the total annual cost savings, as defined in this Attachment.

Column 2(a). Enter the total number of activities initiated by contract.

Column 2(b). Enter the total annual cost of contracts. This is obtained by dividing the total cost of a contract (including options) by the time period covered by the contract. After conversion to annual costs, these costs are then summed to make the entry.

Column 2(c). Enter the total annual cost savings, as defined in this Attachment.

Section III - Part B. Include summary data on new starts initiated on a basis other than cost.

Column 1(a). Enter the total number of activities initiated in-house on a basis other than cost.

Column 1(b). Enter the total full-time equivalent of personnel allocated to operate the in-house activities.

Column 1(c). For each sub item enter the appropriate cost.

Exhibit 4. Provide backup detail to support the entries in Exhibit 3.

Section I - Parts A and B. The source of this data is the cost comparison forms prepared in accordance with Supplement 1 to OMB Circular No. A-76. For each cost study, enter the total for the required line from the form. Enter the period of time covered by the study.

Section I - Part C. Make the appropriate entry for each activity continued in-house on a basis other than cost.

Section II - Parts A and B. The source of this data is the cost comparison forms prepared in accordance with Supplement 1 to OMB Circular No. A-76. For each cost study, enter the total for the required line from the form. Enter the period of time covered by the study.

Section III - Parts A and B. The source of this data is the cost comparison forms prepared in accordance with Supplement 1 to OMB Circular No. A-76. For each cost study, enter the total for the required line from the form. Enter the period of time covered by the study.

Section III - Part C. Make the appropriate entry for each activity initiated in-house on a basis other than cost.

Exhibit 5. Provide detailed information on audiovisual activities subject to the provisions of OMB Circulars No. A-76 and A-114. Special definitions for this exhibit are contained in Attachment B.

Section I - Parts A and B. The entries for this section are similar to those of Exhibit 2. The data provided here must also be contained in Exhibit 1 and 2. After listing all audiovisual activities by category, complete the total entry for the specified columns. For activities not subject to OMB Circular No. A-114, see the expanded listing of audiovisual products and services contained in Attachment A to OMB Circular A-76.

Name _____
Title _____
Telephone _____
Date _____

Department of Government
Summary
Status Report on Inventory and Scheduled Reviews for
In-House Commercial or Industrial Activities, Contracts, and New Starts

	<u>Number of Activities</u> (1)	<u>Annual Cost of Operation</u> (2)	<u>Capital Investment</u> (3)	<u>Personnel Allocated</u> (4)
I. Government commercial or industrial activities:				
A. 1981 activities with annual cost of operations of over \$100,000. ¹				
B. 1981 activities with annual cost of operations of \$100,000 or less. ¹				
Total activities.				
C. 1981 activities scheduled for review, by fiscal year of review. ²				
1981				
1982				
1983				
1984				
1985				

- 1/ Provide separate detailed list of activities per Exhibit 2.
- 2/ Provide separate explanation on the effects of these reviews on the fiscal year 1982 and 1983 budget estimates per Exhibit 2.
- 3/ Provide separate detailed list of proposed new starts per Exhibit 2.

Exhibit 2
(Page 1 of 2)

Department of Government
Detailed List
Fiscal Year 1981 Status Report on Inventory and Scheduled Reviews
for
In-House Commercial or Industrial Activities and Contracts

I. Government commercial or industrial activities:

A. Activities with annual cost of operation of over \$100,000.

<u>Location</u>	<u>Name of Activity</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>	<u>Year of Next Review</u>
			<u>Annual Cost of Operation</u>	<u>Capital Investment</u>		

(Provide data for each 1981 activity.)

B. Activities with annual cost of operations of \$100,000 or less.

<u>Location</u>	<u>Name of Activity</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>	<u>Year of Next Review</u>
			<u>Annual Cost of Operation</u>	<u>Capital Investment</u>		

(Provide data for each 1981 activity.)

¹/ Use reason code specified in Attachment D.

C. In-house activities that are scheduled for review.

(Provide an explanation of the effect of these reviews on fiscal year 1982 and 1983 budget estimates. Show the effect on FTE of personnel resources required, compensation and other objects of expenditure by specifying the potential reductions in or reallocation of personnel, decreases in the cost of agency operation, or changes in investment in capital equipment.)

II. Contracts scheduled for review:

(Provide an explanation of the effect of these reviews on fiscal year 1982 and 1983 budget estimates.)

III. Proposed new starts included in fiscal year 1982 budget estimate and planned for the fiscal year 1983 budget estimate:

<u>Location</u>	<u>Activity</u>	<u>Personnel Required</u>	<u>Estimated Annual Cost of Operation</u>	<u>Estimated Capital Investment</u>
-----------------	-----------------	---------------------------	---	---

Department of Government
Summary
Fiscal Year 1980 A-76 Reviews Conducted On Cost or Other Basis
On Government Commercial or Industrial Activities and Contracts
(And New Starts Initiated)

I. Government commercial or industrial activities:

A. Continued in-house on basis of cost.

<u>Number of¹</u> <u>Activities</u>	<u>Personnel Allocated</u> <u>Reduced</u>	<u>Personnel Cost</u> <u>Savings</u>
(1)	(2)	(3)

B. Converted to contract on basis of cost.

<u>Number of¹</u> <u>Activities</u>	<u>Line 35</u> <u>Annual Cost</u> <u>Savings</u>	<u>Personnel Allocated</u> <u>Affected</u>	<u>Persons Impacted</u>		
(1)	(2)	(3)	<u>Reassigned</u> (a)	<u>Terminated</u> (b)	<u>Retired</u>
				<u>Granted</u> <u>Severance</u> <u>Pay</u>	
			<u>Employed by</u> <u>Contractor</u>		

C. Number of activities continued in-house on basis other than cost.²

<u>Number of</u> <u>Activities</u>
(1)

II. Contracts reviewed:

<u>Cost Studies Performed</u> (1)		<u>Converted To In-House Operation</u> (2)	<u>Retained Under Contract</u> (3)
<u>Formal</u> (a)	<u>Informal</u> (b)	<u>No.</u> (a)	<u>No.</u> (a)
		<u>Line 35¹ Annual Cost Savings</u> (b)	<u>Line 35¹ Annual Cost Savings</u> (b)

III. New starts not resulting from review of contracts:

A. Cost studies performed.

<u>Initiated In-House</u> (1)			<u>Initiated by Contract</u> (2)		
<u>No.</u> (a)	<u>Personnel Allocated</u> (b)	<u>Line 35¹ Annual Cost Savings</u> (c)	<u>No.</u> (a)	<u>Annual Cost of Contracts</u> (b)	<u>Line 35¹ Annual Cost Savings</u> (c)

B. Initiated in-house on basis other than cost.

<u>Initiated In-House²</u> (1)		
<u>No.</u> (a)	<u>Personnel Allocated</u> (b)	<u>In-House Costs</u> (c)
		<u>Annual Cost Operation</u>
		<u>Capital Investment</u>

¹/ Provide backup detail on individual activities and their costs as shown on the cost comparison forms per Exhibit 4.

²/ Provide separate detailed list of activities showing reasons per Exhibit 4.

Department of Government
Detailed List
Fiscal Year 1980 A-76 Reviews Conducted on Cost or Other Basis
On Government Commercial or Industrial Activities and Contracts
(and New Starts Initiated)

I. Government commercial or industrial activities reviewed:

A. Continued in-house on basis of cost.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 32</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

B. Converted to contract on a cost basis.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 32</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

C. Activities continued on basis other than cost.

<u>Location</u>	<u>Name of Activity</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>
			<u>Annual Cost of Operation</u>	<u>Capital Investment</u>	
(Provide data for each activity.)					

II. Contracts reviewed:

A. Converted to in-house operation.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 31</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

B. Retained under contract.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 31</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

III. New starts not resulting from review of contracts:

A. Cost studies performed -- initiated in-house.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 31</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

B. Cost studies performed -- initiated by contract.

<u>Location</u>	<u>Name of Activity</u>	<u>Amounts on Cost Comparison Form</u>				<u>Period of Study</u>
		<u>Line 31</u>	<u>Line 33</u>	<u>Line 34</u>	<u>Line 35</u>	
(Provide data for each activity.)						

C. Initiated in-house on basis other than cost.

<u>Location</u>	<u>Name of Activity</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>
			<u>Annual Cost of Operation</u>	<u>Capital Investment</u>	

(Provide data for each activity.)

¹/ Use reason code specified in Attachment D.

Exhibit 5
(Page 1 of 1)

Department of Government
Detailed List
Fiscal Year 1981 Status Report on Inventory and Scheduled Reviews
for
In-House Audiovisual Activities and Contracts

I. Government audiovisual activities:

A. Activities subject to OMB Circular No. A-114.

<u>Location</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>	<u>Year of Next Review</u>
		<u>Annual Cost of Operation</u>	<u>Capital Investment</u>		
(Provide data for each activity.)					
Total					

B. Activities not subject to OMB Circular No. A-114.

<u>Location</u>	<u>In-House Personnel Allocated</u>	<u>In-House Costs</u>		<u>Reason¹ Code</u>	<u>Year of Next Review</u>
		<u>Annual Cost of Operation</u>	<u>Capital Investment</u>		
(Provide data for each activity.)					
Total					

¹/ Use reason code specified in Attachment D.

REASON CODES
FOR IN-HOUSE OPERATIONS

CODE	EXPLANATION
A	Indicates that the activity provides intermediate or depot level maintenance support of mission-essential equipment. (For Department of Defense use only.)
C	Indicates that the activity is operated by military personnel and the activity or military personnel assigned are utilized in or subject to deployment in a direct combat support role, or the activity is essential for training in skills exclusively military in nature, or the activity is needed to provide appropriate work assignments for a rotation base for overseas assignments.
D	Indicates procurement of a product or service from a private, commercial source would cause an unacceptable delay or disruption of an essential program. (Note: An individual determination and findings in accordance with paragraph 8.a.(3) of the Circular must accompany every activity using this code.)
E	Indicates that there is no satisfactory private, commercial source capable of providing the product or service needed.
F	Indicates that based on a cost study the Government is providing the product or service at a lower total cost than if it were acquired from a private commercial source.
G	Indicates function is being performed in-house now, but decision to continue in-house or contract is pending the results of a scheduled cost comparison analysis.
H	Indicates function is being performed in-house now, but will be converted to contract because of cost comparison analysis results.
K	Indicates function is being performed in-house now, but a decision has been made to convert to contract for reasons other than cost. (To be used only in highly unusual circumstances. A list of functions and reasons for converting to contract must accompany the inventory report for all instances where this code is used.)
N	Indicates method of performance has never been reviewed.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 15, 1985

BULLETIN NO. 81-14, Supplement No. 3
TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES
SUBJECT: Exemptions from GAO Access to Records

The instructions in OMB Bulletin No. 81-14 (as revised by Supplement No. 1 to the Bulletin) are extended until incorporated into OMB Circular No. A-34, Budget Execution.

A handwritten signature in black ink, reading "David A. Stockman". The signature is written in a cursive, flowing style.

David A. Stockman
Director



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 22, 1983

BULLETIN NO. 81-14, Supplement No. 2

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Exemptions from GAO Access to Records

The instructions in OMB Bulletin No. 81-14 (as revised by Supplement No. 1 to the Bulletin), are extended to March 23, 1985.

A handwritten signature in cursive script, reading "David A. Stockman".

David A. Stockman
Director



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-14, Supplement No. 1

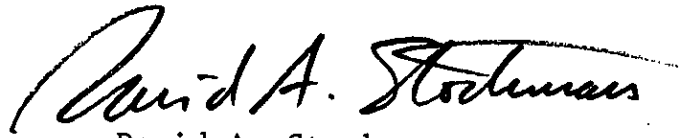
April 21, 1982

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Exemptions from GAO Access to Records

This Supplement extends OMB Bulletin No. 81-14, Exemptions from GAO Access to Records, to March 23, 1983.

The public law citation in paragraph 2, P.L. 96-526, is changed to P.L. 96-226.



David A. Stockman
Director

21 APR 1981

MEMORANDUM FOR THE RECORD

SUBJECT: GAO Act of 1980; OMB Bulletin 81-14-Exemption from GAO
Access to Records

STAT

At my request [redacted] OGC, reviewed OMB Bulletin 81-14 and the requirements of the GAO Act of 1980. By phone he has indicated that the Act itself has specific reference to exemptions for CIA and intelligence information and that as a result, CIA has no reporting or action requirements under the GAO Act of 1980.

STAT



Chief, Budget Management Group
Office of the Comptroller

Distribution:

Orig - Compt Subject

1 - EO/Compt

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1 - Compt

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O/Compt, [redacted] (21 Apr 81)

OMR RIPII ETIM No 01 11

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2
23 March 1981

STAT No CIA action required per OGC

Copies sent to AO/DCI & OGC Library.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-14

March 23, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Exemptions from GAO Access to Records

1. Purpose. This Bulletin provides instructions for implementing subsection (d)(3) of Section 313 of the Budget and Accounting Act of 1921, as amended (31 U.S.C. 54(d)(3)).

2. Authority. Section 313 of the Budget and Accounting Act of 1921, as amended (31 U.S.C. 54), has been further amended by the GAO Act of 1980 (P.L. 96-526) to provide the Comptroller General with a new judicial enforcement authority for obtaining access to certain Federal and non-Federal records. Paragraph (d) of Section 313 provides exemptions from that authority.

3. Background. The GAO Act of 1980 amended the Budget and Accounting Act of 1921 to provide the Comptroller General with a new judicial enforcement authority for obtaining access to Federal and non-Federal records. This authority has been provided to counteract the difficulty GAO has encountered in obtaining information from Executive Branch agencies and other organizations. GAO maintains that the access problems they have encountered in the past have delayed or made impossible responses to the Congress. Therefore, Congress has authorized the Comptroller General to institute judicial enforcement actions to compel production of documents if an Executive department or establishment fails to comply with a request for books, documents, papers or records.

The procedure established by law is as follows. If the GAO's initial efforts to gain access to the materials are not successful within a reasonable period of time, the Comptroller General may make a formal, written request to the agency head, setting forth the authority and reason for the request. The agency head then has 20 days to respond and describe any materials withheld and the reasons therefor. If the Comptroller General has not gained access to all of the requested materials within the 20-day period, he may file a written report of the matter with the President, the Director of OMB, the Attorney General, the agency head, the Speaker of the House and the President of the Senate. After 20 calendar days after filing the written report, the Comptroller General may seek an order in the United States District Court for the District of Columbia to compel the department to produce the material withheld.

The law also authorizes the Comptroller General to seek judicial enforcement of subpoenas issued to non-Federal parties, such as contractors, subcontractors, grantees, or other recipients of Federal assistance, for those materials and documents to which the Comptroller General already has access by law or by agreement of the non-Federal party.

Section (d) of the law provides for exemptions to the Comptroller General's enforcement authority. Section (d)(3) precludes judicial enforcement of a request for access if: (a) the Comptroller General requests materials that fall within either of two specified exemptions under the Freedom of Information Act, and (b) within 20 days after the Comptroller's written report is filed, the President or the Director of OMB certifies in writing to the Comptroller General, the Speaker of the House, and the President of the Senate, that disclosure of the materials to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government.

The two Freedom of Information Act exemptions are:

- 5 U.S.C. 552(b)(5), which exempts interagency or intraagency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency; and
- 5 U.S.C. 552(b)(7), which exempts investigatory records compiled for law enforcement purposes, but only to the extent that the production of such records would:
 - (A) interfere with enforcement proceedings,
 - (B) deprive a person of a right to a fair trial or an impartial adjudication,
 - (C) constitute an unwarranted invasion of personal privacy,
 - (D) disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source,
 - (E) disclose investigative techniques and procedures, or
 - (F) endanger the life or physical safety of law enforcement personnel.

4. Coverage. This Bulletin applies to all Executive Branch agencies that seek certification in order to be exempted from GAO's enforcement authority.

5. Policy.

a. Agency requests for exemptions may be transmitted to the Director of OMB or to the President.

b. The agency head shall ensure that the submission is timely and the information submitted is accurate and complete.

6. Action Requirements.

a. The agency head may request an exemption from GAO's access to records if it is determined that:

(1) the requested material falls within either of the two specific exemptions from disclosure under the Freedom of Information Act, (5 U.S.C. 552(b)(5) or 5 U.S.C. 552(b)(7)); and

(2) disclosure of the requested material to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government.

b. If an exemption is requested from the President rather than OMB, a copy of the request shall be provided to the OMB General Counsel's office by the agency.

c. If an exemption is requested from OMB, the request shall be addressed to the Director, OMB (2 copies). The request is to state which exemption applies and explain in detail the agency's rationale for requesting the exemption (*i.e.*, why it fits the FOIA category and why disclosure to the GAO would substantially impair the operation of the Federal Government). The request shall include the materials requested by GAO, unless it would be unduly burdensome to provide them. The agency should also include information on prior requests for exemption of the materials.

d. If the agency intends to deny access to GAO, the agency's request to OMB for exemptions shall be provided no later than the time at which the agency responds to GAO's initial written request.

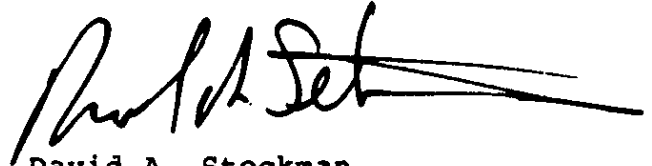
7. OMB Responsibilities

a. The Director of the Office of Management and Budget will provide a decision on the request for exemption after the report is filed under Section 313(b)(1), of the Budget and Accounting Act of 1921, as amended (31 U.S.C. 54), and will notify the agency head concerned of his decision.

b. If the Director of the Office of Management and Budget determines that the material should be exempted, he shall make the certification to the appropriate Congressional and Executive officials, including GAO, within 20 days of the written report.

8. Information Contact. Further information may be obtained from the office of the OMB General Counsel (395-5600).

9. Sunset Review Date. This Bulletin expires one year from date of issuance.

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David A. Stockman
Director

OMB Bulletin No. 81-13

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 23 1981

BULLETIN NO. 81-13

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Reporting Requirements for Compliance with the Executive Order 12291 "Federal Regulation" and the Paperwork Reduction Act of 1980

1. Purpose. This Bulletin establishes interim procedures for executive branch compliance for agencies subject to the President's Executive Order on Federal Regulation and the Paperwork Reduction Act.

2. Authority and Background. Executive Order on Federal Regulation (E.O. 12291, February 17, 1981) and the Paperwork Reduction Act of 1980 (P.L. 96-511). The President has directed the executive branch to reduce the burdens of existing and future regulation through improved regulatory decisions and less paperwork requirements.

3. Coverage. This Bulletin applies to any authority of the United States that is a "Federal agency" under 44 U.S.C. 3502(1), excluding those agencies specified in 44 U.S.C. 3502(10), as amended by P.L. 96-511.

4. Policies. Agencies are required to submit regulations and other material to OMB to comply with the Executive Order and the Paperwork Reduction Act. The Act is effective on April 1, 1981. To minimize the reporting burden on agencies, OMB is establishing a single point of submission of closely related materials under both the Act and the Executive Order.

5. Reporting Requirements. The following documents and reports shall be submitted:

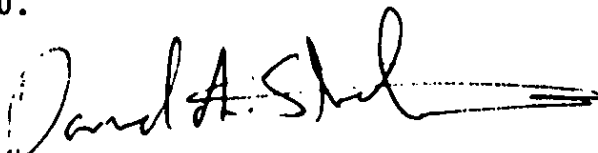
- (A) Copies of any proposed or final rules, to be submitted for publication in the Federal Register, along with necessary supporting documentation.
- (B) Reports on final rules for which effective dates will not be postponed.
- (C) Reports on final rules that will take effect as interim rules while they are being reconsidered.
- (D) Reports on pending proposals which will be promulgated as final rules but have not been considered under the terms of the Order.

(E) Reports on emergency regulations.

(F) Reports on rules for which reconsideration would conflict with statutory deadlines.

Please advise the Assistant Administrator for Reports Management, at the address given below, of the name of a contact for procedural matters concerning reporting under this bulletin.

6. Submission. All documents and reports should be submitted to the Office of Management and Budget, Office of Information and Regulatory Affairs, Room 3201 New Executive Office Building. Prior to April 1, 1981, further guidance will be issued for the submission of regulations to OMB under the Paperwork Reduction Act of 1980. These submissions will be to the same address, and will be coordinated with the requirements of E.O. 12291. Further instructions can be obtained by calling Louis Kincannon at 395-6880.

A handwritten signature in dark ink, appearing to read "David A. Stockman", with a long horizontal flourish extending to the right.

David A. Stockman
Director

OMB Bulletin No. 81-12

Declassified in Part - Sanitized Copy Approved for Release 2013/07/31 : CIA-RDP06M00944R000200110002-2
15 February 1981

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 13 1981

BULLETIN NO. 81-12

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

**SUBJECT: General Provisions on Quarterly Obligations in Certain
1981 Appropriation Acts**

1. Purpose. This Bulletin provides instructions for (a) requesting waivers from general provisions in two appropriation acts that limit 1981 fourth quarter obligations and (b) preparing quarterly status reports on 1981 obligations that are required by general provisions in three appropriation acts.

2. Authority. Section 320 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (P.L. 96-400); section 414 of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526); and section 614 of the Department of Agriculture, Rural Development, and Related Agencies Appropriation Act, 1981 (P.L. 96-528).

3. Background. The Congress has included in two appropriation acts general provisions that limit fourth quarter obligations and require the submission of quarterly status reports on obligations incurred. The limitations require that agencies, or major subdivisions:

- ° not incur obligations in the fourth quarter of 1981 in excess of 30 per centum of total budget authority available to the agency; and
- ° for any month in the last quarter of 1981, not incur obligations in excess of 15 per centum of total budget authority available to the agency.

In a third appropriation act, Congress has enacted general provisions that require only the submission of quarterly status reports on obligations incurred.

4. Coverage. Coverage is as follows:

a. For limitation of fourth quarter obligations: This Bulletin applies to the agencies whose appropriations are included in P.L. 96-400 and P.L. 96-526. The affected agencies are listed in Attachment A, along with the applicable section of P.L. 96-400 and P.L. 96-526.

b. For submission of quarterly obligation reports. This Bulletin applies to the agencies whose appropriations are included in P.L. 96-400, P.L. 96-526 and P.L. 96-528. Agencies included in P.L. 96-528 are listed in Attachment B, along with the applicable section of the Act.

5. Policy. The heads of agencies that are required to limit their fourth quarter obligations are responsible for carrying out those limitations. A waiver from the aforementioned limitations may be requested, but only when the head of the agency believes that a waiver is necessary to avoid a serious disruption in carrying out a program or activity.

The heads of agencies covered by all three bills are also responsible for submitting the quarterly reports required by the general provisions.

6. Definitions. For the purpose of this Bulletin the following definitions apply:

a. Total budget authority (BA) available to the agency includes:

- appropriations, borrowing authority, or contract authority available for fiscal year 1981, including enacted amendments and supplementals, less enacted rescissions;
- unobligated balances available at the beginning of the fiscal year that are balances of appropriations, borrowing authority, or contract authority. Balances of other income, e.g., reimbursable income, are specifically excluded;
- net transfers; and
- recoveries of prior year obligations of budget authority.

b. The limitation on fourth quarter obligations is the amount that is equal to 30% of the total budget authority.

c. The limitation on monthly obligations in the fourth quarter is the amount that is equal to 15% of the total budget authority.

NOTE: Both the limitation and the requirement for the submission of a status report apply only to accounts that are at least partially funded by appropriations in the aforementioned acts.

If it is determined that any part of the total budget authority is funded by the appropriations made available in the appropriation act, then all obligations incurred against

total budget authority, as defined herein, e.g, appropriations, transfers, unobligated balances, are subject to the limitation.

Example 1)	Appropriations	\$100
	Transfer In	50
	Unobligated balance	<u>50</u>
	Total budget authority	\$200

Obligations must be limited to a total of \$60 during the fourth quarter; and no more than \$30 during any month of that quarter.

Example 2)	Appropriations	\$100
	Unobligated balance	<u>50</u>
	Total budget authority	\$150

Obligations must be limited to a total of \$45 during the fourth quarter; and no more than \$22.50 during any month of that quarter.

7. Action Requirements.

a. Waivers. Each agency or department subject to the general provision in P.L. 96-400 and P.L. 96-526 limiting fourth quarter obligations must plan its obligations so that the fourth quarter limitation will not be exceeded. If this cannot be accomplished without causing serious disruption in carrying out the agency's program, the agency may request a waiver.

Should waivers be determined to be necessary, requests for them should be addressed to the Director of OMB. The agency should include in the waiver request a report prepared in accordance with the instructions in Attachment C and in the format of Exhibit 1 showing the obligational pattern that would be followed should the waiver be granted. OMB will inform the agencies of decisions on the waiver requests. (Attachment C and Exhibit 1).

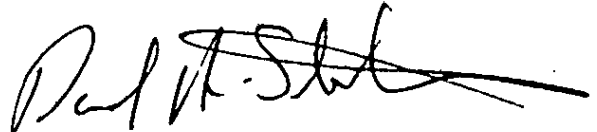
b. Quarterly Status Reports. In addition, not later than 45 days after the close of each quarter of the fiscal year, each agency listed in Attachments A and B shall submit a report to the Committees on Appropriations and to the Director of the Office of Management and Budget in accordance with the instructions in Attachment C and in the format of Exhibit 2. All major administrative subdivisions in the agency should be shown separately on the report. The quarterly status report shall specify the amount of obligations incurred during each past quarter (the final report specifying the amount incurred during each month of the fourth quarter), the amount planned for subsequent quarters (and for each

month during the fourth quarter), and the percentage of total available budget authority for the fiscal year that each recorded amount represents. The report will also specify, where appropriate, the amounts approved by OMB for any waiver of the limitation.

8. Responsibilities of OMB. The Director of OMB is responsible for granting waivers, as appropriate. The Director is also responsible for reporting to the Committees on Appropriations on the results and impact of the requirements of the legislation, the actions taken to implement it, and appropriate recommendations.

9. Information Contact. Inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

10. Sunset Date. This Bulletin will expire on December 31, 1981.



David A. Stockman
Director

Attachments

Attachment A

Agencies Included in the Department of Transportation and Related Agencies Appropriation Act, 1981 (P.L. 96-400) and the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526)

Department of Transportation
National Transportation Safety Board
Civil Aeronautics Board
Interstate Commerce Commission
Panama Canal Commission
Treasury:
Office of the Secretary - Investment in Fund Anticipation Notes
U.S. Railway Association
Washington Metropolitan Area Transit Authority

Department of Housing and Urban Development
American Battle Monuments Commission
Consumer Product Safety Commission
Council on Environmental Quality and Office of Environmental
Quality
Disaster Relief
DOD-Civil: Cemeterial Expenses, Army
Environmental Protection Agency
Federal Emergency Management Agency
Emergency Planning, Preparedness, and Mobilization
Hazard Mitigation and Disaster Assistance
National Flood Insurance Fund Administrative Provision
GSA: Consumer Information Center
HHS: Office of Consumer Affairs
National Aeronautics and Space Administration
National Commission on Air Quality
National Consumer Cooperative Bank
National Credit Union Administration
National Institute of Building Sciences
National Science Foundation
Neighborhood Reinvestment Corporation
Office of Science and Technology Policy
Selective Service System
Treasury:
Payments to State and Local Government Fiscal Assistance
Trust Fund
Office of Revenue Sharing Salaries and Expenses
New York City Loan Guarantee Program
Investment in National Consumer Cooperative Bank
Veterans Administration

Applicable Section of P.L. 96-400 and P.L. 96-526

"(a) No appropriations made available in this Act shall be obligated in a manner that would cause obligations from the total budget authority available to any department, agency, or establishment (as defined in 31 U.S.C. chapter 1, subchapter I, section 2) or any major administrative subdivision thereof during the fiscal year ending September 30, 1981, to exceed 30 per centum for the last quarter of such fiscal year or 15 per centum for any month in the last quarter of such fiscal year. The Director of the Office of Management and Budget may waive the requirements of the preceding sentence with respect to any program or activity if the Director determines in writing that the waiver is necessary to avoid a serious disruption in carrying out such program or activity.

"(b) Not later than 45 days after the close of each quarter of the fiscal year, the head of each department, agency, or establishment shall submit a report to the Committees on Appropriations and to the Director of the Office of Management and Budget, specifying the amount of obligations incurred during the quarter and the percentage of total available budget authority for the fiscal year which the obligations constitute.

"(c) The Director of the Office of Management and Budget shall keep the Committees on Appropriations fully informed of actions taken to carry out the requirements of this section, including any waivers granted, and shall promptly report in writing any situation in which the obligations of any department, agency, or establishment exceed such requirements other than pursuant to a waiver. Not later than December 31, 1981, the Director shall submit a report to the Committees on Appropriations on the results and impact of the requirements of this section and actions taken under this section, including the effects upon procurement and apportionment processes, together with any recommendations the Director considers appropriate. Concurrent with the submittal of the report to the Committees on Appropriations under the preceding sentence, the Director shall submit a copy of such report to the Comptroller General, who shall promptly review that report and submit to the Committees on Appropriations an analysis of the report and any recommendations which the Comptroller General considers appropriate."

Attachment B

Agencies Included in the Department of Agriculture, Rural Development, and Related Agencies Appropriation Act, 1981 (P.L. 96-528)

Department of Agriculture
Commodity Futures Trading Commission
Department of Health and Human Services:
Food and Drug Administration

Applicable Section of P.L. 96-528

"Not later than 45 days after the end of each quarter of the fiscal year, the head of each department and establishment shall submit a report to the Committees on Appropriations and to the Director of the Office of Management and Budget, specifying the amount of obligations incurred during the quarter and the percentage of total available budget authority for the fiscal year which the obligations constitute."

Attachment C

INSTRUCTIONS ON PREPARING REQUESTS FOR WAIVERS AND QUARTERLY STATUS REPORTS FOR FISCAL YEAR 1981

An original and one copy of a request for waiver(s) and the quarterly reports on obligations incurred shall be prepared on 8-1/2" x 11" paper, as described below.

1. Request for Waiver(s).

Requests for waiver(s) will be prepared in the format of Exhibit 1 on planned obligations for fiscal year 1981, will indicate the effects of the waiver, if granted, and will be prepared in accordance with the following instructions:

Column (1). Enter by bureau or major administrative subdivision the total budget authority available to that entity.

Columns (2), (3), (4), and (5). For each bureau or major administrative subdivision, enter the amount that is planned to be obligated in each quarter for fiscal year 1981 should the waiver be granted, and the percentage of total budget authority represented by the amount to be obligated for that quarter. (NOTE: The amounts reported for each quarter will not be cumulative.) Immediately below the amount/percentage in column (5) show in parentheses the amount of planned fourth quarter obligations and the related percentage of total budget authority for which a fourth quarter waiver is being requested.

Columns (6), (7), and (8). For each bureau or major administrative subdivision enter the amount that is planned to be obligated in each of the 3 months in the 4th quarter (the sum of these amounts should equal the amount in column (5)) and the percentage of total budget authority represented by the amount to be obligated for that month. Immediately below the amount/percentage in columns (6), (7), and (8) show in parentheses the amount of the monthly obligations for which a waiver is being requested, and the related percentage of total budget authority for which the monthly waiver is being requested.

Column (9). Enter any amount that will not be obligated, e.g., unobligated balance available at end of year, etc.

Narrative. Immediately following the table provide a narrative justification for each amount requested to be waived. The narrative for each amount should identify the program for which the waiver is requested, as illustrated in Exhibit 1.

2. Quarterly Status Reports (Exhibit 2).

Column (1). Enter the total budget authority available to the agency.

Columns (2), (3), (4), and (5). For each bureau or major administrative subdivision enter the amount that has been obligated in each quarter that has transpired and the amount planned to be obligated in the remaining quarters. (NOTE: The amounts reported should not be cumulative.) Below each amount enter the percentage of total budget authority represented by the amount. For those agencies subject to the limitations contained in section 320 of P.L. 96-400 and section 414 of P.L. 96-526, the percentage of total budget authority will not exceed 30% for the fourth quarter unless a waiver has been granted that equals or exceeds the amount of the excess. When waivers have been granted, the amounts of total budget authority waived will be identified as illustrated in Exhibit 2.

Columns (6), (7), and (8). For the first three quarterly reports enter the amount planned to be obligated in each month of the fourth quarter. On the final report enter the actual amount that has been obligated in each month. (The sum of these amounts should equal the amount in column (5).) Below each amount enter the percentage of total budget authority represented by the amount. For those agencies subject to the aforementioned limitations, the percentage of total budget authority will not exceed 15% for any of these months unless a waiver has been granted that equals or exceeds the amount of the excess. When waivers have been granted, the amounts of total budget authority waived will be identified as illustrated in Exhibit 2.

Column (9). Enter any amount that will not be obligated either to comply with the limitation on fourth quarter spending (if the amounts are apportioned they should be shown on the apportionment forms (S.F. 132) on line (5), "Portion not available pursuant to P.L. 96-__"), or for other reasons. This column will include unobligated balances available at the end of year, as well as unobligated balances that will lapse at the end of year.

REQUEST FOR WAIVER(S)
(Dollars in thousands)

Agency: Department of Government

Bureau/ Office	(1) Total Budget Authority Dollars/%	(2) 1st Quarter Dollars/%	(3) 2nd Quarter Dollars/%	(4) 3rd Quarter Dollars/%	(5) 4th Quarter Dollars/%	(6) (July) Dollars/%	(7) (4th quarter) (Aug) Dollars/%	(8) (Sept) Dollars/%	(9) Unobli- gated Dollars/%
Public Service Administration	\$200,000/ 100%	\$40,000/ 20%	\$30,000/ 15%	\$30,000/ 15%	\$100,000 /50%	\$20,000/ 10%	\$20,000/ 10%	\$60,000/ 30%	
(Proposed Waiver)	--	--	--	--	(\$40,000 /20%)	--	--	(\$30,000/ 15%)	
Public Grants Office	\$100,000/ 100%	\$10,000/ 10%	\$15,000/ 15%	\$20,000/ 20%	\$45,000/ 45%	\$15,000/ 15%	\$15,000/ 15%	\$15,000/ 15%	\$10,000/ 10%
(Proposed Waiver)	--	--	--	--	(15,000 /15%)	--	--	--	--
Total, Dept. of Government	\$300,000/ 100%	\$50,000/ 17%	\$45,000/ 15%	\$50,000/ 17%	\$145,000/ 48%	\$35,000/ 12%	\$35,000/ 12%	\$75,000/ 25%	\$10,000/ 3%
(Total, pro- posed waivers)					(\$55,000/ 18%)			(\$30,000 10%)	

Narrative: The Public Service Administration provides clothes for needy children through the "Helping Hand Program" that typically reaches peak activity in August and September, just before the school age children return to school. Half of this office's obligations, therefore, occur in the final quarter of the year, most of it occurring in September. Services are rendered upon receipt of notification that preliminary activity has occurred; obligations made prior to such notification would almost certainly result in wasteful and possibly fraudulent transactions.

The Public Grant Office has a large grant program that accounts for nearly half of the office's annual obligations. This grant program, Cooperative Development Grant, requires matching funds that are not available until July 1 for 34 of the States involved in the program.

EXHIBIT 1
Bulletin No. 81-12

a second quarter report. Reports for other quarters will vary as described in the Attachment.

[2nd] QUARTERLY STATUS REPORT ON OBLIGATIONS INCURRED FOR FISCAL YEAR 1981
(Dollars in thousands)

Agency: Dept. of Govt.

	(1)	(2) (3) (4) (5) Planned/Actual Obligations by Quarter				(6)	(7)	(8)	(9)
Bureau/Office	Total Budget Authority Dollars/%	1st Quarter Dollars/% Act.	2nd Quarter Dollars/% Act.	3rd Quarter Dollar/% Est.	4th Quarter Dollars/% Est.	(July) Dollars/% Est.	(Aug) Dollars/% Est.	(Sept.) Dollars/% Est.	Unobli- gated Dollars/% Est.
Public Service Office	\$200,000/ 100%	40,000/ 20%	40,000/ 20%	30,000/ 15%	90,000/ 45%	20,000/ 10%	20,000/ 10%	50,000/ 25%	
(Approved waiver)	—	—	—	—	(40,000/ 20%)	—	—	(30,000/ 15%)	
Public Grants Office	100,000/ 100%	10,000/ 10%	15,000/ 15%	20,000/ 20%	45,000/ 45%	15,000/ 15%	15,000/ 15%	15,000/ 15%	10,000/ 10%
(Approved waiver)	—	—	—	—	(15,000/ 15%)	—	—	—	—
* Office of Management	100,000/ 100%	25,000/ 25%	25,000/ 25%	25,000/ 25%	25,000/ 25%	8,333/ 8.3%	8,334/ 8.3%	8,334/ 8.3%	—
Total, Dept. of Government	400,000/ 100%	75,000/ 19%	80,000/ 20%	75,000/ 19%	160,000/ 40%	43,333/ 11%	43,333/ 11%	73,334/ 18%	10,000/ 2%
(Total, approved waivers)					(55,000/ 14%)			(30,000/ 8%)	

*NOTE: All administrative subdivisions of agencies required to submit reports must be included in the quarterly report regardless of whether a waiver has been requested for that particular subdivision.

EXHIBIT 2
Bulletin No. 81-12



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Bulletin No. 81-11

February 11, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Revisions to the 1982 Budget

1. Purpose. This Bulletin provides instructions for revising the 1982 Budget (transmitted to the Congress on January 15, 1981) to reflect the objectives and priorities of the new Administration. The revised 1982 Budget will also serve as the spring update of the budget required each year by the Congressional Budget Act of 1974.

2. Background. The Office of Management and Budget will furnish budget guidance to Executive departments and establishments on revisions to the budget estimates for 1981 through 1986 for specified programs in the 1982 Budget. The program reductions included in this guidance will enable the President to propose significant reductions in Government spending.

To reduce Federal employment and Federal operating costs, President Reagan announced on January 20 a freeze on the hiring of Federal civilian employees in the Executive Branch and, in a memorandum of January 22 to the heads of Executive departments and agencies, required reductions for: travel, consulting and related services, and procurement of furniture and equipment. Detailed guidance on these requirements is contained in the following Office of Management and Budget directives:

- OMB Bulletin No. 81-6 (January 24, 1981): Federal Civilian Hiring Freeze.
- OMB Bulletin No. 81-7 (January 24, 1981): Fiscal Year 1981 Travel Reduction.
- OMB Bulletin No. 81-8 (January 24, 1981): Reductions in Fiscal Year 1981 Consulting and Related Services.
- OMB Bulletin No. 81-9 (January 30, 1981): Moratorium on Procurement of Certain Equipment.

New economic assumptions have also been provided to revise estimates for certain major programs.

3. Material required. Upon receipt of the budget guidance from OMB for revising the 1982 Budget, each agency will review its budget plans and submit the following materials:

a. Summary report on revisions to the 1982 Budget. This report will be prepared in the format of exhibit 1. Each agency will prepare an original and one copy to be returned with the computer listings described in section c., below. Except as noted, estimates will be provided for the years 1981-1986. All entries will be in millions of dollars.

The entries for the "January budget estimate" will be consistent with the amounts reported in the "Budget Accounts Listing" (BAL) in Part 8 of the "Budget of the United States Government, 1982."

Changes of \$50 million or more due to revised economic assumptions will be listed separately by individual programs directly affected by the new economic assumptions. Smaller changes directly related to economic assumptions should be combined into an "All other" category under the same heading.

For policy changes, the description column will identify major changes to the January Budget. Major programmatic changes of \$50 million or more from the January Budget should be separately identified under "policy changes." Smaller policy changes should be combined into an "All other" category under the same heading.

Each additional reduction category, namely travel, consulting services, procurement, and personnel compensation will be reflected in two lines when significant. For example:

- travel reductions not included in policy changes.
- travel reductions already included.

Amounts for each of the reductions noted in this paragraph will be shown separately only for 1981 and 1982.

Entries for "Technical reestimates" (e.g., changes in spending patterns or levels of receipts) will identify separately significant changes of \$50 million or more for individual programs. Smaller technical reestimates will be combined into an "All other" category under the same heading.

An explanation of changes will accompany this summary report to describe briefly the following items:

- changes of \$50 million or more for individual programs due to revised economic assumptions.

- policy changes of \$50 million or more.
- technical reestimates of \$50 million or more for individual programs.

The explanation of changes will also address significant changes in Federal credit activity (\$50 million or more in 1981 or 1982 from the January budget estimates of new direct loans or new loan guarantee commitments).

b. Report on employment changes to the 1982 Budget. An original and one copy of this report will be prepared, in the format of exhibit 2, to reflect changes in agency employment levels resulting from all revisions included in the summary report. The report will include estimates for both end-of-year and full-time equivalent employment.

c. Computer materials. OMB will provide those agencies that do not transmit data to OMB through automated systems with three copies of each of the following computer listings:

- Supplementary Source Data (Sections A, B, and C). This computer listing contains budget authority and outlays by budget account, for 1981 and 1982.
- Multi-Year Planning Estimates and Long-Range Projections. This computer listing contains budget authority and outlays by budget account, for 1983 through 1986.
- Receipt Account Budget Data. This computer listing contains receipt account information for 1980 through 1986. The 1980 data will not be adjusted.
- Federal Credit Data. This computer listing contains data on new direct loan obligations and loan guarantee commitments, by budget account, for 1981 and 1982.

Data displayed on computer listings are based on the estimates included in the January Budget. Agencies transmitting data through automated systems will revise the above sets of estimates in that manner. All other agencies will mark up these listings by drawing a single line through any amount to be changed, and entering the revised amount above it in red. Amounts are to be reported in thousands of dollars.

For appropriations or fund accounts having supplemental requests, legislative initiatives, or new rescission proposals not currently reflected on the above mentioned computer listings, agencies will submit two copies of a Supplementary Source Document (Standard Form 307), an Agency Planning Document (see section 26.3 and exhibit 26B of OMB Circular No. A-11) and schedules on the status of direct loans and status of loan guarantees, where appropriate (see section 33 and exhibits 33A-B of OMB Circular No. A-11). For new receipt accounts, data should be entered directly onto the receipt account computer listings.

4. Amendments, supplementals, rescission proposals, and deferral reports. Immediately following passback of budget guidance, agencies will prepare appropriation language and supporting materials for each 1981 supplemental amendment, rescission proposal and deferral, and 1982 budget amendment, for revisions to amounts transmitted in the January Budget. Modified formats from exhibit 39C (budget amendment appropriation language) of OMB Circular No. A-11 are included in exhibits 3 and 4 for supplemental requests and budget amendment requirements.

5. Material to be furnished to the Congress. Immediately following the public announcement of Presidential decisions on revising the 1982 Budget, agencies will prepare the following supporting materials for each 1981 supplemental, proposed rescission, or 1982 budget amendment:

- program and financing schedule;
- object classification and personnel summary schedules;
- schedules on the status of direct loans or status of loan guarantees; and
- detail of permanent positions.

These schedules will be prepared in accordance with section 39.6 of OMB Circular No. A-11, and will be submitted along with all other supporting materials required by that section to the Congress.

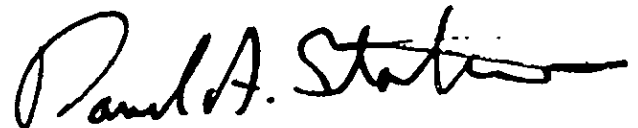
6. Timing.

a. Materials for OMB. Two copies of the computer materials, an original and one copy of the summary report and report on employment, and an original and two copies of each 1981 supplemental, amendment, rescission proposal (and related appropriation language) and deferral report, and 1982 budget amendment will be submitted to OMB within three days of passback of final budget guidance.

b. Materials for the Congress. An original and two copies of all materials required by section 39.6 of OMB Circular No. A-11 will be submitted to the Congress by March 10, 1981.

7. Information contact. Inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

8. Sunset date. This Bulletin will expire when all required materials are submitted.



David A. Stockman
Director

Attachments

[NAME OF DEPARTMENT OR AGENCY]
SUMMARY REPORT ON REVISIONS TO THE 1982 BUDGET
(In millions of dollars)

		<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
January budget estimate [Department or agency].....	BA						
	O						
Revised economic assumptions:							
[List changes of \$50 million or more for individual							
programs. Combine remaining programs under a							
heading "all other"].....	BA						
	O						
Policy changes:							
[List changes of \$50 million or more for individual							
programs. Combine remaining programs under a							
heading "all other"].....	BA						
	O						
Travel reductions:							
Not included in policy changes above.....	BA						
	O						
Included in policy changes above.....	BA	()	()				
	O	()	()				
Consulting services reductions:							
Not included in policy changes above.....	BA						
	O						
Included in policy changes above.....	BA	()	()				
	O	()	()				
Procurement reductions:							
Not included in policy changes above.....	BA						
	O						
Included in policy changes above.....	BA	()	()				
	O	()	()				
Personnel compensation savings:							
Not included in policy changes above.....	BA						
	O						
Included in policy changes above.....	BA	()	()				
	O	()	()				
Technical reestimates.....	BA						
	O						
[List changes of \$50 million or more for individual							
programs. Combine remaining reestimates under a							
heading "all other"]							
Total. [Department or agency].....	BA						

Exhibit 1
Bulletin No. 81-11

Exhibit 2
Bulletin No. 81-11

[NAME OF DEPARTMENT OR AGENCY]

REPORT ON EMPLOYMENT CHANGES TO THE 1982 BUDGET

Description	1981 Estimate	1982 Estimate
Full-time permanent:		
January Budget		
EOY.....		
FTE.....		
Change (-)		
EOY.....		
FTE.....		
Revised estimate:		
EOY.....		
FTE.....		
Total employment:		
January Budget		
EOY.....		
FTE.....		
Change (-)		
EOY.....		
FTE.....		
Revised estimate:		
EOY.....		
FTE.....		

NOTE: EOY = end of year
FTE = full-time equivalent

Exhibit 3
Bulletin No. 81-11

FORMAT FOR REDUCTIONS TO
AND WITHDRAWALS OF
PENDING 1981 SUPPLEMENTALS

AGENCY				
1982 Budget Appendix Page	Heading	1981 Supplemental Request Pending	1981 Proposed Amendment	1981 Revised Request

For reductions to pending 1981 requests:

Page #	Account title	\$100,000	-\$50,000	\$50,000
--------	---------------	-----------	-----------	----------

[Insert a change to the appropriation
language, if other than the amount
is to be revised]

For withdrawals of pending 1981 requests:

Page #	Account title	\$100,000	-\$100,000	----
--------	---------------	-----------	------------	------

(Delete the above heading and the
appropriation language that
follows.)

A brief narrative should be supplied after each item as follows:

This amendment reduces (or withdraws, as applicable) the request for a supplemental appropriation to provide funds for _____.
(Explain further, if necessary.) This action would reduce outlays by
\$ _____ million in 1981 and (if applicable) \$ _____ million in 1982.

Exhibit 4
Bulletin No. 81-11

FORMAT FOR REDUCTIONS TO
AND WITHDRAWALS OF
PENDING 1982 REQUESTS

AGENCY				
1982 Budget Appendix Page	Heading	1982 Budget Request Pending	1982 Proposed Amendment	1982 Revised Request

For reductions to 1982 requests:

Page #	Account title	\$100,000	-\$50,000	\$50,000
--------	---------------	-----------	-----------	----------

[Insert a change to the appropriation language, if other than the amount is to be revised]

For withdrawals of 1982 requests:

Page #	Account title	\$100,000	-\$100,000	----
--------	---------------	-----------	------------	------

(Delete the above heading and the appropriation language that follows.)

A brief narrative should be supplied after each item as follows:

This amendment reduces (or withdraws, as applicable) the 1982 request for _____. (Explain further, if necessary.) This action would reduce 1982 outlays by \$ _____ million.

OMB BULLETIN No. 81-10

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EXECUTIVE OFFICE OF THE PRESIDENT •

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 81-10

February 6, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Review of previous agency legislative recommendations

1. Purpose. This Bulletin establishes procedures for the clearance (or reclearance) of draft bills and agency reports on pending legislation which were submitted by agencies to the Office of Management and Budget (OMB) prior to January 20, 1981.
2. Background. Under normal procedures set forth in Office of Management and Budget Circular No. A-19, agencies transmitted to OMB draft bills and reports on pending legislation which were intended for submission to the 97th Congress and were received in OMB prior to January 20, 1981. Many of the draft bills were cleared in accordance with the policies of the previous Administration and were sent to the 97th Congress by the agencies concerned before January 20, 1981. Others were still pending in OMB on that date.
3. Review of proposals. Applying the policies and objectives of the present Administration, agencies are requested to review the draft bills and reports which they transmitted to OMB prior to January 20, 1981, and to identify (a) the items which they wish to continue to support, (b) those which they wish to continue to support with revisions, and (c) those from which they wish to withdraw support. This review should take into account revisions of the 1982 Budget made by the present Administration.
4. Preparation and submission of lists. Agencies should prepare the following lists of draft bills and reports and submit them (an original and four copies) to the Assistant Director for Legislative Reference, OMB, as promptly as possible:

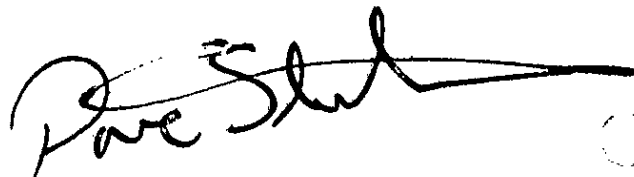
a. A list of draft bills and reports which they wish to continue to support unchanged. With respect to bills which were transmitted to the 97th Congress prior to January 20, 1981, this list will be treated as an agency request for reclearance. With respect to bills and reports still pending in OMB on that date, the list will identify those items on which the agencies still wish to receive advice.

b. A list of draft bills and reports which they wish to continue to support, but with changes. The items on this list should be resubmitted to OMB for clearance in the usual manner.

c. A list of draft bills and reports from which they wish to withdraw support.

The agencies may send these lists to OMB in installments, and so indicate, if that will serve to expedite clearance, reclearance, or other appropriate action.

The agencies will be given advice which reflects the views of the present Administration.

A handwritten signature in black ink, appearing to read "Dave Stockman", with a long horizontal flourish extending to the right.

David A. Stockman
Director

OMB Bulletin No. 81-9
30 January 1981

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 30, 1981

BULLETIN NO. 81-9

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Moratorium on Procurement of Certain Equipment

1. Purpose. This Bulletin provides for a moratorium on the procurement of certain types of equipment by Executive Branch departments and agencies and for a limited number of exemptions from the moratorium. It also provides instructions for reducing Executive Branch procurement of equipment during fiscal year 1981.

2. Rescission. OMB Bulletin No. 80-6, dated February 27, 1980, is hereby rescinded.

3. Authority and Background. The Budget and Accounting Act of 1921, as amended; and the Federal Property and Administrative Services Act of 1949, as amended. The President has directed that a moratorium be placed on the purchasing, leasing, or rental of certain types of equipment and that a reduction be made in procurement of these items during fiscal year 1981. The moratorium becomes effective immediately.

4. Policy. Each Executive Branch department and establishment will not incur new obligations for the purchasing, leasing, or rental of equipment specified in the attachment until a plan for the reduction of obligations for procurement of such equipment in fiscal year 1981 has been approved by OMB.

5. Coverage. These instructions apply to all Executive Branch departments and establishments.

The types of equipment covered by the moratorium are listed in the attachment and are comprised of property that is movable and durable in nature (i.e., equipment that normally would be expected to have a period of service of a year or more). Military equipment, equipment required for direct support of military operations, and equipment needed to protect human life, health and safety, and property are excluded. Items produced by the Federal Prison Industries, Inc. or by sheltered workshops for the blind and other severely handicapped under the auspices of P.L. 92-28 are also excluded.

The moratorium is not intended to apply to extensions or renewals of existing leases or rentals.

6. Exemptions. Specific exemptions to the moratorium will be granted by the Director of OMB on a case-by-case basis when the purchasing, leasing or rental of equipment is absolutely necessary to the performance of an essential Federal program or mission, i.e., the procurement cannot be postponed for the duration of the moratorium without disrupting essential programs or services.

7. Actions to be taken. Unless specifically exempted by the Director of OMB, no new obligations may be incurred by agencies for the purchasing, leasing or rental of equipment items that are covered by the moratorium, as defined in section 5 and the attachment.

If a department or agency head believes that an exemption from the moratorium is necessary and procurement cannot be postponed, a request for an exemption, including a complete explanation and justification of the request, should be made by letter. It should be addressed to the Director of the Office of Management and Budget, and signed by the agency head.

Each agency will also review and reassess its equipment requirements and submit a plan for reduction of obligations for procurement of equipment in fiscal year 1981 below the amount estimated in the 1982 Budget transmitted to Congress on January 15, 1981. In developing these plans, agencies and OMB will take into account the furniture expense plans that have been submitted previously under the requirements of OMB Bulletin No. 80-6. New agency plans will be submitted as soon as possible, but no later than February 17, 1981, in the format of the exhibit. No agency will incur new obligations for purchasing, leasing or rental of equipment covered by the moratorium, until the new plan is approved by OMB.

8. Revised 1982 Budget. The reductions in procurement of equipment will be a part of the Administration's revised 1982 Budget. Further instructions will be provided in a later bulletin that will address the budget revisions.

9. Use of savings. Dollar savings generated from reductions will be applied to other approved program activities within the same appropriation in the following order of priority:

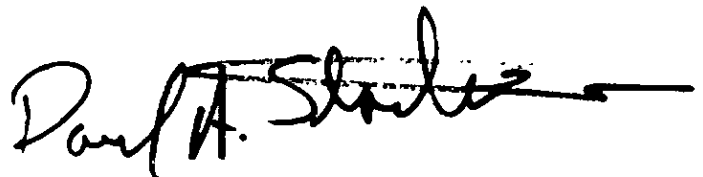
a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665 (e)); and

b. to reduce the 1981 pay supplemental transmitted with the 1982 Budget.

However, where the equipment reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

10. Information contact. Inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

11. Sunset date. This Bulletin will expire on September 30, 1981.



David A. Stockman
Director

Attachments

Attachment
Bulletin No. 81-9

LIST OF ITEMS COVERED BY THE
MORATORIUM ON PROCUREMENT OF CERTAIN EQUIPMENT

The moratorium required by this Bulletin applies to the items in the following Federal Supply Classification groups, except for military equipment, equipment required for direct support of military operations, and equipment needed to protect human life, health and safety, and property. Items produced by the Federal Prison Industries, Inc., or by sheltered workshops for the blind and other severely handicapped under the auspices of P.L. 92-28 are also excluded.

- 67 Photographic equipment
- 69 Training aids and devices (excluding 6920, armament training devices)
- 70 General purpose ADP equipment, software, supplies and support (excluding 7045, ADP supplies and support equipment)
- 71 Furniture
- 72 Household and commercial furnishings and appliances
- 74 Office machines and visible record equipment
- 77 Musical instruments, phonographs and hometype radios
- 78 Recreational and athletic equipment

Planned Reductions in Fiscal Year 1981 Procurement of Certain Equipment
Department of Government
(In thousands of dollars)

A. PLANNED REDUCTIONS

<u>Department or agency</u>	<u>Equipment.</u> <u>(obligations)</u>		<u>FY 1981 Amount</u> <u>Less Reduction</u>
	<u>FY 1981 Amount</u> <u>in 1982 January Budget</u>	<u>Reduction</u>	
Total obligations for procurement of equipment (i.e., purchasing, leasing or rental) for items covered by the moratorium.....	XXX	XX	XXX

B. DESCRIPTION OF REDUCTIONS

Describe planned reductions in procurement of equipment.

OM, Bulletin 81-8
24 January 1981

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-8

January 24, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Reductions in Fiscal Year 1981 Consulting and Related Services

1. Purpose. This Bulletin provides instructions for the submission of plans to reduce by 5 percent consulting services, management and professional services, and special studies and analyses budgeted for fiscal year 1981.

2. Authority and Background. The Budget and Accounting Act of 1921, as amended. The President has directed a reduction of 5 percent for consulting services for fiscal year 1981. The 5 percent reduction will also apply to certain procurements for management and professional services, and special studies and analyses that are reported to the Federal Procurement Data System.

This reduction is in addition to the reductions required by OMB Bulletin No. 80-9, dated April 14, 1980 and required for certain agencies by Congressional actions on fiscal year 1981 appropriations.

3. Coverage. This Bulletin applies to the agencies listed in Attachment A.

4. Policy. The planned 5 percent reduction is part of the President's program to reduce Federal spending in fiscal year 1981, and to eliminate excessive and unnecessary expenditures for consulting and related services.

5. Definitions.

- a. Consulting services, as defined in OMB Circular No. A-120, means those services of a purely advisory nature relating to the governmental functions of agency administration and management, and agency program management. For purposes of this Bulletin, reduction plans will apply to consulting services obtained by procurement contracts and advisory committee memberships only. Personnel appointments are covered by the Federal civilian hiring freeze.

- b. Management and professional services are those procurement actions coded in the Federal Procurement Data System (FPDS) as R401 through R499. For purposes of this Bulletin, the 5 percent reduction will apply only to those obligations planned for fiscal year 1981 that meet the description of codes R402, R406, R407, R408, R409, R414, and R499. See Attachment B for code descriptions.
- c. Special studies and analyses are those procurement actions coded in the FPDS as R501 through R599. For purposes of this Bulletin, the 5 percent reduction will apply to all planned obligations for special studies and analyses (R501-R599) for fiscal year 1981. See Attachment C for code descriptions.

6. Action Requirements. No later than February 13, 1981, agencies will submit plans to reduce by 5 percent their total planned obligations for consulting services for fiscal year 1981, as reflected in the 1982 Budget transmitted to the Congress on January 15, 1981. The reduction will also apply to management and professional services (Attachment B) and special studies and analyses (Attachment C). The information will be provided in the format of the exhibit.

7. Use of Savings. Dollar savings generated from reductions may be applied to other approved program activities within the same appropriation in the following order of priority:

- a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665(e)); and
- b. to reduce the 1981 pay supplemental transmitted with the 1982 Budget.

However, where these reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

8. Revised 1982 Budget. The consulting and related services reduction will be a part of the Administration's revised 1982 Budget. Further instructions will be provided in a later bulletin that will address budget revision procedures.

9. Information Contact. Questions should be addressed to the OMB representative responsible for reviewing the agency's budget estimates.

10. Sunset Date. This Bulletin will expire on September 30, 1981.



Dale R. McOmber
Acting Director

Attachments

Attachment A
Bulletin No. 81- 8

Agencies Required to Report

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Environmental Protection Agency
National Aeronautics and Space Administration
Veterans Administration
General Services Administration
International Communication Agency
International Development Cooperation Agency
Nuclear Regulatory Commission
Office of Personnel Management
Small Business Administration
Entities within the Executive Office of the President

Attachment B
Bulletin No. 81-8

Management and Professional Services

<u>FPDS Code</u>	<u>Description</u>
R402	Management Data Collection Services
R406	Policy Review/Development Services
R407	Program Evaluation Services
R408	Program Management/Support Services
R409	Program Review/Development Services
R414	Systems Engineering Services
R499	Other Management Services

Source: Product and Service Codes, Federal Procurement Data System, April 1980, p. 22.

Attachment C
Bulletin No. 81-8Special Studies and Analyses

<u>FPDS Code</u>	<u>Description</u>
R501	ADP Systems Analyses
R502	Air Quality Analyses
R503	Archeological/Paleontological Studies
R504	Chemical/Biological Studies and Analyses
R505	Cost Benefit Analyses
R506	Data Analyses (other than scientific)
R507	Economic Studies and Analyses
R508	Endangered Species Studies -- Animal
R509	Endangered Species Studies -- Plant
R510	Environmental Assessments
R511	Environmental Baseline Studies
R512	Environmental Impact Studies
R513	Feasibility Studies (non-construction)
R514	Federal, Local Government Cooperative Studies and Analyses
R515	Federal, State Government Cooperative Studies and Analyses
R516	Fisheries Studies and Analyses
R517	Geological Studies
R518	Geophysical Studies
R519	Geotechnical Studies
R520	Grazing/Range Use Studies
R521	Historical Studies
R522	Legal/Litigation Studies
R523	Legislative Studies
R524	Mathematical/Statistical Analyses
R525	Natural Resource Studies
R526	Oceanological Studies
R527	Recreation Studies
R528	Regulatory Studies
R529	Scientific Data Studies
R530	Seismological Studies
R531	Socio-economic Studies
R532	Soils Studies
R533	Water Quality Studies
R534	Wildlife Studies
R535	Medicare Health Studies
R536	Medicaid Health Studies
R537	General Health Studies
R599	Other Special Studies and Analyses

Source: Product and Service Codes, Federal Procurement Data System, April 1980, pp. 22 and 23.

REPORTING FORMAT

DEPARTMENT OF _____

Reductions in Planned Fiscal Year 1981 Consulting Services, Management and Professional Services,
And Special Studies and Analyses

	Obligations (In thousands)	Membership
<u>Part 1 - Contractual Services</u>		
a. Total obligations for consulting services estimates (excluding personnel appointments) in the 1982 Budget transmitted to Congress on January 15, 1981.....	_____	N/A
Less 5 percent.....	_____	N/A
Revised total.....	_____	N/A
b. Total obligations for management and professional services and special studies and analyses in the January 1982 Budget.....	_____	N/A
Less 5 percent.....	_____	N/A
Revised total.....	_____	N/A
<u>Part 2 - Advisory Committee Memberships</u>		
Total obligations (and related memberships) estimated in the January 1982 Budget.	_____	()
Less 5 percent of obligations (and resultant reduction in memberships).....	_____	()
Revised total.....	_____	()

Part 3 - Detail. For each appropriation or fund account for which a reduction is planned, provide the following information:

		Reductions*		
Account Identification Number	Account Title	Obligations		Advisory Committee Memberships
		Amount	Percent	
		(\$000)		
	A	XX	XX	XX
	B	XX	XX	XX
Total		XX		XX

* Compared to the estimated 1981 level for this program in the 1982 Budget transmitted to Congress on January 15, 1981.

OMB Bulletin No. 81-7
24 January 1981

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

BULLETIN NO. 81-7

January 24, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Fiscal Year 1981 Travel Reduction

1. Purpose. This Bulletin provides instructions for reducing Executive Branch travel during fiscal year 1981.

2. Authority and Background. The Budget and Accounting Act of 1921, as amended. The President has directed that a reduction be made in travel during fiscal year 1981. This Bulletin outlines the steps that will be taken to achieve the reduction. The reduction becomes effective immediately.

3. Coverage. This Bulletin applies to all Executive Branch departments and establishments. It covers all travel of Executive Branch personnel, military and civilian, and other persons when travel expenses are paid by the U.S. Government and recorded in object class 21, except permanent change of station for military personnel.

4. Policy. Obligations for travel costs for the remainder of fiscal year 1981 will be reduced by 15 percent for each Executive Branch department and establishment. Because the reduction is being initiated in January 1981, it is approximately equal to a 10 percent reduction from the annual amount estimated in the January budget.

5. Action Requirements. Agencies will reduce travel so that obligations will not exceed the annual levels indicated in the attachment. Each agency should be prepared to provide information on the status of the reduction during the fiscal year.

If a department or agency head believes that the reduction cannot be accomplished without causing serious disruption in carrying out basic programs, an adjustment may be requested. Requests for adjustments should be made by letter, addressed to the Director of OMB, and signed by the agency head. They should include a complete explanation and detailed justification of the request for adjustment.

6. Use of Savings. Dollar savings generated from reductions may be applied to other approved program activities within the same appropriation in the following order of priority:

a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665 (e)).

b. to reduce the 1981 pay supplemental transmitted with the 1982 Budget.

However, where travel reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

7. Revised 1982 Budget. The travel reduction will be a part of the Administration's revised 1982 Budget. Further instructions will be provided in a later bulletin that will address budget revision procedures.

8. Information Contact. Inquiries should be directed to the OMB representative responsible for reviewing the department's or establishment's budget estimates.

9. Sunset Date. This Bulletin will expire on September 30, 1981.

Dale R. McOmber

Dale R. McOmber
Acting Director

Attachment

Attachment

Executive Branch Travel
(Obligations in \$ millions)

<u>Major Agencies</u>	<u>1981 Est. Levels</u>	<u>Reduction</u>	<u>1981 Reduced Level</u>
Department of Agriculture	171	17	154
Department of Commerce	51	5	46
Department of Defense (Military)*	1,827	183	1,644
Corps of Engineers (Civil)	49	5	44
Department of Education	10	1	9
Department of Energy	40	4	36
Department of Health and Human Services	115	12	103
Department of Housing and Urban Development	20	2	18
Department of the Interior	110	11	99
Department of Justice	88	9	79
Department of Labor	54	5	49
Department of State	63	6	57
Department of Transportation	125	12	113
Department of Treasury	142	14	128
Environmental Protection Agency	19	2	17
General Services Administration	24	2	22
National Aeronautics and Space Administration	25	3	22
Veterans Administration	121	12	109

Agencies that are not listed above will compute their reductions as follows:

1. Take the amount of fiscal year 1981 travel (Object Class 21) obligations estimated for the agency in the January Budget for fiscal year 1982. (This includes direct, reimbursable, and allocated obligations.)
2. Multiply the amount from paragraph 1 by 10 percent. This is the amount of the reduction.
3. Subtract the amount in paragraph 2 from the amount in paragraph 1. This will be the agency travel level for fiscal year 1981 that may not be exceeded.

* Excludes amounts for permanent change of station for military personnel.